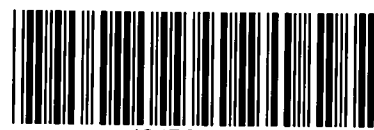


Castle MacLellan Foods Limited
Annual report and financial statements
for the year ended 31 December 2014

Registered number SC077607

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Castle MacLellan Foods Limited
Annual report and financial statements
for the year ended 31 December 2014
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Castle MacLellan Foods Limited

Directors and advisers

Directors

P R Lewney Managing director

E Volden Chairman

Company secretary

L Hayes

Registered office

Riverside

Dee Walk

Kirkcudbright

Dumfries and Galloway

DG6 4DR

Bankers

DNB

8th Floor

The Walbrook Building

London

EC4N 8AF

Solicitors

Muckle LLP

Time Central

32 Gallowgate

Newcastle upon Tyne

NE1 4BF

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

5th & 6th Floor

Central Square South

Orchard Street

Newcastle

NE1 3AZ

Castle MacLellan Foods Limited

Strategic report for the year ended 31 December 2014

The directors present their strategic report on the company for the year ended 31 December 2014.

Principal activities and business review

Castle MacLellan Foods Limited is a wholly owned subsidiary of Kavli UK Limited, which is itself a wholly owned subsidiary of Kavli Holding A/S. The Kavli Trust (Kavlifondet) is the sole owner of Kavli Holding A/S which runs the commercial operations of the Scandinavian based Kavli food group. Both Castle MacLellan Foods Limited and Kavli UK Limited operate as part of the Kavli group's European division, headed by Kavli Holding A/S (the group). The objective of Kavli Holding A/S is to provide secure, long-term funding to the Kavli Trust so that it can continue to provide financial support to good causes. A proportion of the Kavli food group's profits are reinvested to strengthen and develop the group's operations, while the remainder is passed to the Kavli Trust to make charitable donations in line with its priorities and commitments, the key beneficiaries being humanitarian work and research as well as some cultural activities. All of the prior year profits after taxation of Castle MacLellan Foods Limited are transferred via Kavli UK Limited to Kavli Holding A/S for the ultimate benefit of the Kavli Trust.

The principal activities of the company are the manufacture and sale of pâté and other food products to the retail food and food service industries in the United Kingdom and Europe. There have not been any significant changes in the company's principal activities in the year under review. The company has, however, completed work on an extension to the factory which, over time, will allow the company to double the size of its operations. The directors are not aware, at the date of this report, of any other major changes in the company's activities in the next year.

As shown in the company's profit and loss account on page 10, the company's sales have increased by 12.4% against the prior year and the profit on ordinary activities before taxation has decreased from £668,449 in 2013 to £640,600 in 2014. The impact of the sales growth in the year has been offset by increased operating costs incurred during the factory expansion.

The balance sheet on page 11 of the financial statements shows that the company's financial position at the year end is, in net asset terms, better than the prior year. Details of amounts owed to its parent company are shown in note 11.

Castle MacLellan Foods Limited

Strategic report for the year ended 31 December 2014 (continued)

Key performance indicators (KPIs)

The company manages its operations using key performance indicators. As the overriding objective of the business is to provide secure, long-term funding to the Kavli Trust, profitability and return on the Kavli Trust's income-generating assets is of paramount importance. The principal financial key performance indicators monitored to ensure achievement of this objective include:

Key performance

Indicator	Definition	2014	2013
Profitability	Operating profit in absolute terms and Operating profit margin	£667,724 5.8%	£691,465 6.8%

Profitability has decreased slightly because of additional operating costs incurred during the factory extension.

Return on average capital employed	Operating profit divided by the average of the opening and closing Total assets less current liabilities	20.9%	64.5%
------------------------------------	--	-------	-------

The increased asset base following the factory extension has reduced the Return on average capital employed, although the extension was necessary to allow the business to grow and become more profitable.

Average monthly working capital	Average monthly short term assets less average short term liabilities (excluding cash, overdrafts & group balances) as percentage of turnover.	-4.2%	-3.3%
---------------------------------	--	-------	-------

The average monthly working capital position continues to be negative and is at an improved level compared to prior years.

Principal risks and uncertainties

As with any business, the company faces a number of risks and uncertainties in the course of its day to day operations. The company regularly reviews its principal risks and prioritises them according to the potential impact and likelihood to adversely affect the company. This allows the management team to design appropriate responses and to prioritise actions to the most severe risks facing the company. The principal risks affecting the company include:

Competitive pressure in the United Kingdom is a continuing risk for the company, which could result in it losing sales to its key competitors. The company manages this risk by providing value-added services to its customers, having fast response times not only in supplying products but in handling all customer queries, product development and by maintaining strong relationships with its customers.

Raw material availability/pricing is a risk in respect of key raw materials. The company monitors raw material sources on a national and global basis for key inputs and negotiates forward purchase contracts where appropriate with key suppliers.

Operational failure as a result of a major disaster is an inherent risk for the company. This could cause significant disruption to the business and so the company has in place a formal business continuity plan that is regularly reviewed and updated.

Castle MacLellan Foods Limited

Strategic report for the year ended 31 December 2014 (continued)

Principal risks and uncertainties (continued)

Legislative and regulatory compliance is critical for a food manufacturing business. The company monitors current and forthcoming legislation regularly to ensure ongoing compliance.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in price risk, currency risk, credit risk, liquidity risk and interest rate cash flow risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the cost of managing exposure to commodity price risk exceeds any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Currency risk

The company purchases some of its raw material inputs and services from European companies. It is therefore exposed to the movement in the Euro to Pound exchange rate. The Kavli Holding group's treasury function takes out contracts to manage this risk at a group level.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The company does not utilise debt finance, relying on its own controls to manage credit risk. The company also recognises it is exposed to the risk of financial institutions becoming insolvent. To reduce this risk deposits are only made with financial institutions which have been credit scored and whose global rating is appropriate.

Liquidity risk

The company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions.

Interest rate cash flow risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include only cash balances, all of which earn interest at a variable rate. The company has a policy of maintaining low levels of debt to reduce the volatility of future interest cash flows. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has loans and a short term overdraft from members of the Kavli food group which attract interest charges at margins of 2.5% and 0.85% above the UK base rate, respectively. It is therefore exposed to interest rate movements.

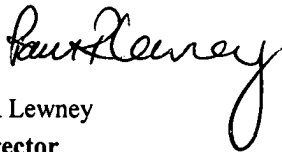
Castle MacLellan Foods Limited

Strategic report for the year ended 31 December 2014 (continued)

Environment

The Kavli Holding group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The group operates in accordance with Kavli Holding group policies which are described in the Kavli Holding group's annual report which does not form part of this report. Initiatives designed to minimise the company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

On behalf of the board



P R Lewney

Director

13 February 2015

Castle MacLellan Foods Limited

Directors' report for the year ended 31 December 2014

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2014.

Company number

Registered number SC077607

Branches outside the UK

There are no branches outside the UK.

Dividends

A final dividend of 346.33p per share (2013: 283.09p per share), amounting to £502,175 was paid during the year ended 31 December 2014 (2013: £410,485).

Research and development

The company continues to invest in research and development in its products and processes. This has resulted in a number of updates to existing products and processes as well as the launch of new products. The directors regard research and development investment as necessary for continuing success in the medium to long term future.

Future developments

The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year. The company has, however, recently completed work on an extension to the factory which, over time, will allow the company to double the size of its operations.

Post balance sheet events

There are no significant events since the balance sheet date.

Financial risk management

Details of the company's financial risk management objectives and its exposure to related risks are disclosed on page 4 of the Strategic report.

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

P R Lewney

E Volden

Castle MacLellan Foods Limited

Directors' report for the year ended 31 December 2014 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Relevant information is defined as "information needed by the company's auditors in connection with preparing their report".

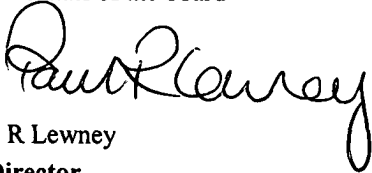
The directors have taken all the steps they ought to have taken in their duty as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Independent auditors

The auditors, PwC LLP, have indicated their willingness to continue in office, and a resolution that they be reappointed will be proposed at the annual general meeting.

On behalf of the board



P R Lewney

Director

13 February 2015

Castle MacLellan Foods Limited

Independent auditors' report to the members of Castle MacLellan Foods Limited

Report on the financial statements

Our opinion

In our opinion, Castle MacLellan Foods Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Castle MacLellan Foods Limited's financial statements comprise:

- the Balance sheet as at 31 December 2014;
- the Profit and loss account for the year then ended;
- the Statement of accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Castle MacLellan Foods Limited

Independent auditors' report to the members of Castle MacLellan Foods Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Respective responsibilities of directors and auditors set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Michael Jeffrey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
13 February 2015

Castle MacLellan Foods Limited

Profit and loss account for the year ended 31 December 2014

	Note	2014 £	2013 £
Turnover	1	11,508,267	10,242,506
Net operating expenses	2	(10,840,543)	(9,551,041)
Operating profit		667,724	691,465
Interest receivable and similar income	4	1,328	-
Interest payable and similar charges	5	(28,452)	(23,016)
Profit on ordinary activities before taxation		640,600	668,449
Tax on profit on ordinary activities	6	(161,428)	(166,274)
Profit for the financial year	17	479,172	502,175

All of the operations of the company are continuing.

There are no recognised gains and losses other than those included in the results above for the current financial year and the preceding financial year and therefore no separate statement of total recognised gains and losses has been prepared.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

Castle MacLellan Foods Limited

Balance sheet as at 31 December 2014

	Note	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	8		6,093,585		1,675,043
Current assets					
Stocks	9	831,464		733,460	
Debtors	10	3,873,409		3,147,428	
Cash at bank and in hand		673		432	
		4,705,546		3,881,320	
Creditors: amounts falling due within one year	11	(5,411,864)		(4,461,272)	
Net current liabilities			(706,318)		(579,952)
Total assets less current liabilities			5,387,267		1,095,091
Creditors: amounts falling due after more than one year	12		(4,367,949)		(137,823)
Provisions for liabilities	13		(85,053)		-
Net assets			934,265		957,268
Capital and reserves					
Called up share capital	16		145,000		145,000
Capital redemption reserve	17		120,000		120,000
Profit and loss account	17		669,265		692,268
Total shareholders' funds	18		934,265		957,268

The financial statements on pages 10 to 23 were approved by the board of directors on 13 February 2015 and were signed on its behalf by:


P R Lewney
Director

Castle MacLellan Foods Limited

Statement of accounting policies

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies adopted are described below and have been applied consistently in the current and prior year.

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard 1 (revised 1996) "Cash flow statements" from the requirement to produce a cash flow statement due to the results of the company being included in the consolidated financial statements of the ultimate parent undertaking, Kavli Holding A/S.

Tangible fixed assets and depreciation

Tangible fixed assets are held at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values, on a straight line basis, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Freehold buildings	2.5%
Plant and machinery	10% - 33.33%
Motor vehicles	20% - 33.33%
Freehold land is not depreciated	

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value including any provision for obsolete or slow moving stock. Cost comprises the invoiced value of goods purchased plus direct labour and attributable overheads, where applicable and is determined on an average cost basis. Net realisable value is based upon estimated selling price in the normal course of business after allowing for disposal costs.

Foreign currencies/exchange

Monetary assets and liabilities arising in overseas currencies are converted into sterling at the exchange rate ruling on the transaction date. Payments are converted at the actual rates incurred. The resulting exchange differences are charged or credited to the profit and loss account in the period in which they arise. At the end of the financial year foreign currency monetary assets and liabilities are translated into sterling at the rate of exchange ruling at that date.

Turnover

Turnover, which excludes value added tax, represents amounts receivable for goods provided in the normal course of business, less returns. Turnover is recognised at the point at which goods are received by the customer.

Government grants

Grants that relate to specific capital expenditure are treated as deferred income which is then credited to the profit and loss account over the useful life of the related asset. Grants received in respect of specific projects are treated as deferred income and credited to the profit and loss account over the duration of the project.

Castle MacLellan Foods Limited

Statement of accounting policies (continued)

Pension costs

The company operates two defined contribution pension schemes for employees. Pension costs are charged to the profit and loss account in the year in which they are incurred.

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Taxation

Current tax, including United Kingdom corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax or a right to pay less tax at a future date at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those which are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are measured at the average tax rates that are expected to apply and are on an undiscounted basis.

Research and development

Costs in respect of research and development activities are charged to the profit and loss account as they are incurred.

Castle MacLellan Foods Limited

Notes to the financial statements for the year ended 31 December 2014

1 Turnover

All of the turnover derives from operations based in the United Kingdom and relates to the sale of food products. Turnover by destination has been split as follows:

	2014	2013
	£	£
United Kingdom	11,508,267	10,242,506

2 Net operating expenses

	2014	2013
	£	£
Change in stocks of finished goods and work in progress	(14,153)	(501)
Other operating income	(651)	–
Raw materials and consumables	5,268,265	4,702,668
Staff costs (note 3)	2,432,612	2,090,791
Depreciation charge for the year:		
Tangible fixed assets (note 8)	490,038	304,392
Amortisation of government grants (note 14)	(29,610)	(87,806)
Other operating charges	2,494,538	2,369,695
Hire of plant and machinery – operating leases	23,698	40,977
Hire of other assets – operating leases	7,668	12,753
Research and development costs	124,298	108,532
Auditors' remuneration:		
For the audit of the company's annual financial statements	8,487	8,240
For the provision of tax compliance services to the company	15,325	1,900
Loss/(profit) on sale of tangible fixed assets	20,028	(600)
Net operating expenses	10,840,543	9,551,041

Castle MacLellan Foods Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

3 Information regarding directors and employees

The directors of Castle MacLellan Foods Limited are also directors of the parent company Kavli UK Limited and its subsidiaries. The directors received total emoluments of £260,351 (2013: £250,096) from Kavli UK Limited and its subsidiaries during the year, but it is not practical to allocate this between their services as executives of Castle MacLellan Foods Limited and their services as directors of Kavli UK Limited and its subsidiaries.

The average monthly number of persons (including executive directors) employed during the year was:

	2014	2013
	Number	Number
Production	102	92
Administration	6	6
	108	98

	2014	2013
Staff costs during the year (including executive directors):	£	£
Wages and salaries	2,164,896	1,865,556
Social security costs	184,894	154,983
Other pension costs (Note 15)	82,822	70,252
	2,432,612	2,090,791

Castle MacLellan Foods Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

4 Interest receivable and similar income

	2014	2013
	£	£
Other financial income	1,328	-
	1,328	-

5 Interest payable and similar charges

	2014	2013
	£	£
Bank interest payable	1,741	3,303
Interest payable to group companies	26,711	19,713
	28,452	23,016

6 Tax on profit on ordinary activities

	2014	2013
	£	£
Current tax:		
United Kingdom corporation tax on profits of the year	53,498	167,661
Adjustments in respect of prior years	-	(162)
Total current tax	53,498	167,499
Deferred tax:		
Origination and reversal of timing differences	115,987	(4,707)
Effect of change in tax rates	(8,057)	3,482
Total deferred tax (note 13)	107,930	(1,225)
Tax on profit on ordinary activities	161,428	166,274

The tax charge for the year differs from the standard rate of corporation tax in the United Kingdom of 21.49% (2013: 23.25%).

Castle MacLellan Foods Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

6 Tax on profit on ordinary activities (continued)

The differences are explained below:

	2014	2013
	£	£
Profit on ordinary activities before taxation	640,600	668,449
Tax on profit multiplied by the standard rate in the United Kingdom of 21.49% (2013: 23.25%)	137,665	155,414
Expenses not deductible for tax purposes	31,801	7,562
Capital allowances (more)/less than depreciation	(114,458)	879
Movement in short term timing differences	(1,510)	3,827
Effect of other tax credits	-	(21)
Adjustments in respect of prior years	-	(162)
Current tax charge for the year	53,498	167,499

Factors that may affect future tax charges

The UK corporation tax rate was 23% until 1 April 2014 when it reduced to 21%. A further reduction has been announced to apply from 1 April 2015 giving a standard UK corporation tax rate of 20%.

Accordingly, the company's profits for this accounting period are taxed at an effective rate of 21.49% and will be taxed at 21% until 1 April 2015, at which point they will be taxed at 20% for the future. The deferred tax balance has been provided at 20%, as this is the tax rate at which deferred tax is expected to unwind.

There are no other factors expected to materially affect the tax charge in future years.

7 Dividends

	2014	2013
	£	£
Ordinary:		
Final dividend of 346.33p per share (2013: 283.09p per share)	502,175	410,485

Castle MacLellan Foods Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

8 Tangible assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Assets in the course of construction £	Total £
Cost					
At 1 January 2014	876,675	4,070,622	21,563	244,216	5,213,076
Additions	2,720,781	2,219,077	-	-	4,939,858
Transfers	244,216	-	-	(244,216)	-
Disposals	(42,500)	(168,030)	-	-	(210,530)
At 31 December 2014	3,799,172	6,121,669	21,563	-	9,942,404
Accumulated depreciation					
At 1 January 2014	336,522	3,183,542	17,969	-	3,538,033
Charge for the year	101,169	385,275	3,594	-	490,038
Disposals	(15,229)	(164,023)	-	-	(179,252)
At 31 December 2014	422,462	3,404,794	21,563	-	3,848,819
Net book value					
At 31 December 2014	3,376,710	2,716,875	-	-	6,093,585
At 31 December 2013	540,153	887,080	3,594	244,216	1,675,043

9 Stocks

	2014 £	2013 £
Raw materials and consumables	450,410	384,898
Packaging	235,754	217,415
Work in progress	11,241	15,412
Finished goods and goods for resale	134,059	115,735
	831,464	733,460

Castle MacLellan Foods Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

10 Debtors

	2014	2013
	£	£
Trade debtors	3,239,942	2,447,834
Amounts owed by group undertakings	394,113	474,534
Other debtors	122,471	107,773
Deferred tax asset (note 13)	-	22,877
Corporation tax recoverable	21,974	-
Prepayments and accrued income	94,909	94,410
	3,873,409	3,147,428

11 Creditors: amounts falling due within one year

	2014	2013
	£	£
Bank loans and overdrafts	1,205,149	702,171
Trade creditors	1,008,317	779,773
Amounts owed to group undertakings	1,170,753	1,111,605
Corporation tax	-	94,746
Other taxation and social security	140,105	99,624
Accruals	1,850,230	1,627,020
Deferred income (note 13)	37,310	46,333
	5,411,864	4,461,272

Any bank overdraft arising during the year is secured by a guarantee given by Kavli Holding A/S and attracts an interest rate of 0.85% (2013: 0.85%) above the UK base rate. All amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Castle MacLellan Foods Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

12 Creditors: amounts falling due after more than one year

	2014	2013
	£	£
Amounts owed to group undertakings	4,199,850	-
Deferred income (note 14)	168,099	137,823
	4,367,949	137,823

Amounts owed to group undertakings include an intra-group loan of £4,500,000 (2013: £nil). This loan is unsecured and is due for repayment in equal instalments by 31 December 2029. The loan attracts interest charges at a margin of 2.5% above the UK Base Rate. The effective rate at 31 December 2014 was 3.0%. The maturity of the loan and the bank overdraft is given below:

	2014	2013
	£	£
Repayable as follows		
Within one year	1,505,299	-
In more than one year but not more than two years	300,150	-
In more than two years but less than five years	900,450	-
In more than 5 years.	2,999,250	-
	5,705,149	-

13 Provisions for liabilities

	£
Deferred taxation	
At 1 January 2014 (note 10)	(22,877)
Profit and loss account charge for the year	107,930
At 31 December 2014	85,053

	2014	2013
	£	£
Analysis of deferred tax balance		
Capital allowances in excess of depreciation	103,426	(3,080)
Short term timing differences	(18,373)	(19,797)
	85,053	(22,877)

Castle MacLellan Foods Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

14 Deferred income

	2014	2013
	£	£
Government grants		
At 1 January	184,156	233,700
Grants received in year	50,863	38,262
Amortisation in year	(29,610)	(87,806)
At 31 December	205,409	184,156
Within creditors amounts falling due within one year	37,310	46,333
Within creditors amounts falling due after more than one year	168,099	137,823
	205,409	184,156

If the company does not maintain approved headcount numbers, the company may be liable to repay certain government grants.

15 Pension schemes

The company operates a funded defined contribution pension scheme. Contributions charged in the profit and loss account in the year totalled £82,822 (2013: £70,252).

At 31 December 2014 an accrual of £1,178 (2013: £151) was included in the balance sheet in respect of pension payments.

16 Called up share capital

	2014	2013
	£	£
Authorised		
370,000 (2013: 370,000) ordinary shares of £1 each	370,000	370,000
Allotted and fully paid		
145,000 (2013: 145,000) ordinary shares of £1 each	145,000	145,000

Castle MacLellan Foods Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

17 Reserves

	Capital redemption reserve	Profit and loss account
	£	£
At 1 January 2014	120,000	692,268
Profit for the financial year	-	479,172
Dividend paid (note 7)	-	(502,175)
At 31 December 2014	120,000	669,265

The capital redemption reserve represents the nominal value of preference shares redeemed.

18 Reconciliation of movements in shareholders' funds

	2014	2013
	£	£
Profit for the financial year	479,172	502,175
Dividend paid (note 7)	(502,175)	(410,485)
Net (decrease)/increase in shareholders' funds	(23,003)	91,690
Opening shareholders' funds	957,268	865,578
Closing shareholders' funds	934,265	957,268

19 Financial commitments

At 31 December the company had annual commitments under non cancellable operating leases, none of which related to land and buildings, as detailed below:

	2014	2013
	£	£
Expiring within one year	4,024	9,519
Expiring within two to five years	19,561	13,394
	23,585	22,913

Castle MacLellan Foods Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

20 Capital commitments

	2014	2013
	£	£
Capital expenditure contracted for but not provided in the financial statements	241,178	2,240

21 Related party transactions

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of Financial Reporting Standard 8 “Related party disclosures” on the grounds that it is a wholly owned subsidiary of a group headed by Kavli Holding A/S, whose consolidated financial statements are publicly available.

22 Ultimate and immediate parent companies

The company is a wholly owned subsidiary of Kavli UK Limited, a company registered in England. The ultimate parent company is Kavli Holding A/S, a company incorporated in Norway.

The parent undertaking of the largest group which includes the company, and for which consolidated financial statements are prepared, is Kavli Holding A/S. The parent undertaking of the smallest such group is Kavli UK Limited.

Copies of the financial statements for this group can be obtained from:

Kavli Holding A/S
Postboks 7360
5020 Bergen
Norway

The ultimate controlling party of Kavli Holding A/S is the Kavli Trust (Kavlifondet), formerly known as O Kavli og Knut Kavli's Almennyttige Fond, a charitable foundation established in Norway.