

Philip Dennis Foodservice Limited
Annual Report and Financial Statements
Period from 1 February 2015 to 30 January 2016
Registration number: 571334

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Philip Dennis Foodservice Limited

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Philip Dennis Foodservice Limited

Strategic Report

Period from 1 February 2015 to 30 January 2016

The Directors present their strategic report for the period from 1 February 2015 to 30 January 2016.

Fair review of the business

The principal activity of the company during the period was the distribution of catering foods.

The directors are pleased with the company's performance during the year, which has seen growth in both key performance indicators, being turnover and gross margin. Turnover has increased by £2.9m (7.8%) to £39m and gross margin has increased from 21% to 22.5%. This is largely due to the company's investment in its service offering to customers. The focus for the next 12 months is to improve efficiencies in working practices to continue to grow turnover, whilst maintaining margins.

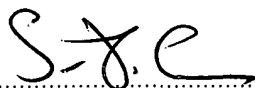
Implementation of FRS102

The company has transferred from previously extant UK GAAP to FRS 102 as at 2 February 2014. There is no material impact on the reported financial position and financial performance. There are no material departures from FRS 102.

Principal risks and uncertainties

The key risks faced by the company are margin pressure and the steady rise of distribution costs. In addition, the company operates in a highly competitive market place. The company looks to address these risks by continual monitoring and management of direct costs, including, where possible, negotiating fixed prices with suppliers and maximising volume discounts, while investing in customer service. The company has an agreement for the supply of electricity through an on-site wind turbine and solar panels.

Approved by the Board on 29/07/16 and signed on its behalf by:



Mr S J Carr
Director

Philip Dennis Foodservice Limited

Directors' Report

Period from 1 February 2015 to 30 January 2016

The Directors present their report and the financial statements for the period from 1 February 2015 to 30 January 2016.

Directors of the Company

The directors who held office during the period were as follows:

Mr J P Dennis (resigned 26 February 2016)

Mrs E Dennis (resigned 26 February 2016)

Mr S J Carr

The following directors were appointed after the period end:

Mr Christopher Dennis (appointed 26 February 2016)

Mr Peter Dennis (appointed 26 February 2016)

Financial risk management objectives & policies

The business' principal financial instruments comprise bank balances, trade debtors, trade creditors and bank loans. The main financial risks that arise from day-to-day activities are discussed below.

Credit risk

Trade debtors are managed in respect of credit risk by using policies derived to accommodate customer needs but also to avoid ageing debts and irrecoverable debt. There is no significant concentration of credit risk, with exposure spread over a large number of counterparties.

Liquidity risk

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due. Trade creditors are paid within the agreed terms subject to any disputes.

The liquidity risk arising from overdraft facilities is managed against anticipated cash inflow from operations based on the plan for the financial year and seasonal trends observed in previous years.

The liquidity risk in respect of bank loans is managed by ensuring there are sufficient funds available to meet repayment commitments as and when they contractually fall due.

Employment of disabled persons

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person.

Employee involvement

Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Philip Dennis Foodservice Limited

Directors' Report

Period from 1 February 2015 to 30 January 2016

Important non adjusting events after the financial period

After the year end, the company repurchased 10,000 £1 ordinary 'B' shares at market value of £190,000, and cancelled 1 £1 ordinary 'A' share.

Subsequent to this, Philip Dennis (Holdings) Limited acquired 100% of the issued share capital of PDFS in exchange for a mixture of cash, ordinary shares, non-voting redeemable preference shares and non-qualifying corporate bond loan notes.

In order to facilitate this, the company reduced its share capital and issued an equivalent number of new shares to Philip Dennis (Holdings) Limited.

Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken 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. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 29/07/16 and signed on its behalf by:



Mr S J Carr
Director

Philip Dennis Foodservice Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual 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 elected to prepare 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Philip Dennis Foodservice Limited

Independent Auditor's Report

We have audited the financial statements of Philip Dennis Foodservice Limited for the period from 1 February 2015 to 30 January 2016, set out on pages 7 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), 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). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

Scope of the audit of the financial statements

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. 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.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 January 2016 and of its profit for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Philip Dennis Foodservice Limited

Independent Auditor's Report

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

PKF Francis Clark

GLENN NICOL (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Vantage Point
Woodwater Park
Pynes Hill
Exeter
EX2 5FD

Date: 1 August 2016

Philip Dennis Foodservice Limited

Statement of Income and Retained Earnings

Period from 1 February 2015 to 30 January 2016

	Note	1 Feb 2015 to 30 Jan 2016 £	2 Feb 2014 to 31 Jan 2015 £
Turnover	3	39,271,361	36,416,020
Cost of sales		<u>(30,423,654)</u>	<u>(28,714,555)</u>
Gross profit		8,847,707	7,701,465
Administrative expenses		<u>(7,937,795)</u>	<u>(7,121,803)</u>
Operating profit	5	<u>909,912</u>	<u>579,662</u>
Other interest receivable and similar income	9	2,477	4,596
Interest payable and similar charges	10	<u>(83,324)</u>	<u>(61,463)</u>
		<u>(80,847)</u>	<u>(56,867)</u>
Profit before tax		829,065	522,795
Taxation	11	<u>(176,131)</u>	<u>(120,403)</u>
Profit for the financial period		652,934	402,392
Retained earnings brought forward		<u>3,847,371</u>	<u>3,444,979</u>
Retained earnings carried forward		<u><u>4,500,305</u></u>	<u><u>3,847,371</u></u>

The notes on pages 10 to 26 form an integral part of these financial statements.

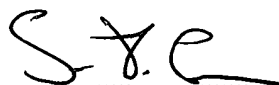
Philip Dennis Foodservice Limited

Balance Sheet

30 January 2016

	Note	30 Jan 2016 £	31 Jan 2015 £
Fixed assets			
Tangible assets	13	4,880,454	5,044,006
Investments	14	10,400	10,400
Other financial assets	15	3,100	3,100
		<u>4,893,954</u>	<u>5,057,506</u>
Current assets			
Stocks	16	1,578,635	1,722,810
Debtors	17	2,890,361	2,782,694
Cash at bank and in hand		1,808,914	37,132
		<u>6,277,910</u>	<u>4,542,636</u>
Creditors: Amounts falling due within one year	19	<u>(5,735,721)</u>	<u>(3,048,889)</u>
Net current assets		<u>542,189</u>	<u>1,493,747</u>
Total assets less current liabilities		5,436,143	6,551,253
Creditors: Amounts falling due after more than one year	19	(462,071)	(2,257,615)
Provisions for liabilities	22	<u>(358,500)</u>	<u>(331,000)</u>
Net assets		<u>4,615,572</u>	<u>3,962,638</u>
Capital and reserves			
Called up share capital	24	115,267	115,267
Profit and loss account		<u>4,500,305</u>	<u>3,847,371</u>
Total equity		<u>4,615,572</u>	<u>3,962,638</u>

Approved and authorised by the Board on 29/07/16 and signed on its behalf by:



Mr S J Carr
Director

Company Registration Number: 571334

Philip Dennis Foodservice Limited

Statement of Cash Flows

Period from 1 February 2015 to 30 January 2016

	Note	1 Feb 2015 to 30 Jan 2016 £	2 Feb 2014 to 31 Jan 2015 £
Cash flows from operating activities			
Profit for the period		652,934	402,392
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	925,957	906,310
Profit on disposal of tangible assets	4	(13,040)	(3,159)
Finance income	9	(2,477)	(4,596)
Finance costs	10	83,324	61,463
Income tax expense	11	176,131	120,403
		<u>1,822,829</u>	<u>1,482,813</u>
Working capital adjustments			
Decrease/(increase) in stocks	16	144,175	(85,199)
(Increase)/decrease in trade debtors	17	(553,418)	173,354
Increase/(decrease) in trade creditors	19	1,330,857	(386,843)
Increase in provisions	22	21,500	186,000
		<u>2,765,943</u>	<u>1,370,125</u>
Cash generated from operations			
Income taxes paid	11	(113,131)	(128,403)
Net cash flow from operating activities		<u>2,652,812</u>	<u>1,241,722</u>
Cash flows from investing activities			
Interest received		2,477	4,596
Acquisitions of tangible assets		(472,268)	(326,897)
Proceeds from sale of tangible assets		<u>25,800</u>	<u>5,969</u>
Net cash flows from investing activities		<u>(443,991)</u>	<u>(316,332)</u>
Cash flows from financing activities			
Interest paid		(83,324)	(61,463)
Proceeds from bank borrowing draw downs		-	220,000
Repayment of bank borrowing		(1,420,000)	-
Payments to finance lease creditors		(336,356)	(369,272)
Financing from Directors		<u>1,402,641</u>	<u>(445,708)</u>
Net cash flows from financing activities		<u>(437,039)</u>	<u>(656,443)</u>
Net increase in cash and cash equivalents		1,771,782	268,947
Cash and cash equivalents at 1 February		<u>37,132</u>	<u>(231,815)</u>
Cash and cash equivalents at 30 January		<u><u>1,808,914</u></u>	<u><u>37,132</u></u>

The notes on pages 10 to 26 form an integral part of these financial statements.

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 1 February 2015 to 30 January 2016

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Mullacott Industrial Estate
Ilfracombe
Devon
EX34 8PL

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Change in basis of accounting and basis statement of compliance

The company's financial statements have been prepared in accordance with FRS102 - the Financial Reporting Standard applicable in the UK and Republic of Ireland. The company has transferred from previously extant UK GAAP to FRS102 as at 2 February 2014. There is no material impact on the reported financial position and financial performance. There are no material departures from FRS102.

These financial statements have been prepared using the historical cost convention.

The functional currency of Philip Dennis Foodservice Limited is considered to be pounds sterling because this is the currency of the primary economic environment in which the company operates.

Group accounts not prepared

The company has a wholly owned subsidiary, Lundy Fish Limited, a company incorporated in England and Wales.

The company has taken the advantage of the exemption provided by Section 402 of the Companies Act 2006 in relation to the preparation of group accounts, as Lundy Fish is dormant and wholly immaterial. These financial statements reflect the results of Philip Dennis Foodservice Limited only.

Summary of significant accounting policies and key accounting estimates

The directors have considered the judgements and estimation uncertainties included in these financial statements and the accounting policies applied and concluded that these do not have a significant effect on the amounts recognised in the financial statements or lead to a risk of causing a material misstatement of the carrying amounts of assets and liabilities within the next financial year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects that period only, or in the period of revision and future periods if the revision affects both current and future periods.

Revenue recognition

Turnover represents the value of goods supplied during the year less trade discounts allowed and excluding value added tax and sales overrides. Turnover is recognised when substantially all the risks and rewards are transferred to the customer which occurs upon delivery of the goods.

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 1 February 2015 to 30 January 2016

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	20% on cost

Tangible assets

Tangible assets is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold Buildings	2% on cost
Plant and computers	10% to 33% on cost
Fixtures and fittings	10% to 33% on cost
Motor vehicles	12.5% to 20% on cost

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

Cost comprises the actual cost of purchases. Net realisable value is the estimated selling price reduced by all costs of selling and distribution.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 1 February 2015 to 30 January 2016

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 1 February 2015 to 30 January 2016

Financial instruments

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

The group holds the following financial instruments:

- Short term trade debtors and creditors;
- Short term loans from directors
- Bank borrowings

Basic financial assets and liabilities

Basic financial assets comprise short term trade and other debtors and cash and bank balances. Basic financial liabilities comprise short term trade and other creditors, including short term loans. Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank borrowings

Interest-bearing bank borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing bank borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of effective interest method and is included in interest payable and similar charges.

Bank borrowings are classified as current liabilities, unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the net assets of the company.

3 Revenue

The analysis of the company's turnover for the period by market is as follows:

	1 Feb 2015 to 30 Jan 2016 £	2 Feb 2014 to 31 Jan 2015 £
UK	<u>39,271,361</u>	<u>36,416,020</u>

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 1 February 2015 to 30 January 2016

4 Other gains and losses

The analysis of the company's other gains and losses for the period is as follows:

	1 February 2015 to 30 January 2016 £	2 February 2014 to 31 January 2015 £
Gain (loss) on disposal of property, plant and equipment	<u>13,040</u>	<u>3,159</u>

5 Operating profit

Arrived at after charging/(crediting)

	1 Feb 2015 to 30 Jan 2016 £	2 Feb 2014 to 31 Jan 2015 £
Depreciation expense	925,957	906,311
Operating lease expense - property	116,826	111,976
Profit on disposal of property, plant and equipment	(13,040)	(3,159)
Amortisation of government grants	<u>(6,786)</u>	<u>(6,786)</u>

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	1 Feb 2015 to 30 Jan 2016 £	2 Feb 2014 to 31 Jan 2015 £
Wages and salaries	6,483,662	5,740,592
Social security costs	559,077	499,915
Pension costs, defined contribution scheme	<u>68,110</u>	<u>50,588</u>
	<u>7,110,849</u>	<u>6,291,095</u>

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	1 Feb 2015 to 30 Jan 2016 No.	2 Feb 2014 to 31 Jan 2015 No.
Production	86	77
Administration and support	100	98
Distribution	<u>90</u>	<u>80</u>
	<u>276</u>	<u>255</u>

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 1 February 2015 to 30 January 2016

7 Directors' remuneration

The directors' remuneration for the period was as follows:

	1 Feb 2015 to 30 Jan 2016 £	2 Feb 2014 to 31 Jan 2015 £
Remuneration	308,108	276,292
Contributions paid to money purchase schemes	<u>11,732</u>	<u>11,732</u>
	<u><u>319,840</u></u>	<u><u>288,024</u></u>

During the period the number of directors who were receiving benefits and share incentives was as follows:

	1 Feb 2015 to 30 Jan 2016 No.	2 Feb 2014 to 31 Jan 2015 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

In respect of the highest paid director:

	1 Feb 2015 to 30 Jan 2016 £	2 Feb 2014 to 31 Jan 2015 £
Remuneration	155,664	150,928
Company contributions to money purchase pension schemes	<u>11,732</u>	<u>11,732</u>

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 1 February 2015 to 30 January 2016

8 Auditors' remuneration

	1 Feb 2015 to 30 Jan 2016 £	2 Feb 2014 to 31 Jan 2015 £
Audit of the financial statements	<u>15,000</u>	<u>15,000</u>
Other fees to auditors		
Taxation compliance services	2,500	2,500
Other services	<u>8,500</u>	<u>3,470</u>
	<u>11,000</u>	<u>5,970</u>

9 Other interest receivable and similar income

	1 Feb 2015 to 30 Jan 2016 £	2 Feb 2014 to 31 Jan 2015 £
Other finance income	<u>2,477</u>	<u>4,596</u>

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 1 February 2015 to 30 January 2016

10 Interest payable and similar charges

	1 Feb 2015 to 30 Jan 2016 £	2 Feb 2014 to 31 Jan 2015 £
Interest on bank overdrafts and borrowings	33,733	42,443
Interest on obligations under finance leases and hire purchase contracts	29,506	19,020
Interest expense on other finance liabilities	20,085	-
	<u>83,324</u>	<u>61,463</u>

11 Taxation

Tax charged/(credited) in the income statement

	1 Feb 2015 to 30 Jan 2016 £	2 Feb 2014 to 31 Jan 2015 £
Current taxation		
UK corporation tax	171,000	114,000
UK corporation tax adjustment to prior periods	<u>(869)</u>	<u>(597)</u>
	170,131	113,403
Deferred taxation		
Arising from origination and reversal of timing differences	<u>6,000</u>	<u>7,000</u>
Tax expense in the income statement	<u>176,131</u>	<u>120,403</u>

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 1 February 2015 to 30 January 2016

The tax on profit before tax for the period is higher than the standard rate of corporation tax in the UK (2015 - higher than the standard rate of corporation tax in the UK) of 20.2% (2015 - 21.32%).

The differences are reconciled below:

	1 February 2015 to 30 January 2016 £	2 February 2014 to 31 January 2015 £
Profit before tax	<u>829,065</u>	<u>522,795</u>
Corporation tax at standard rate	167,471	111,460
Effect of expense not deductible in determining taxable profit (tax loss)	2,033	1,291
Deferred tax expense (credit) relating to changes in tax rates or laws	(560)	(1,547)
Increase (decrease) in UK and foreign current tax from adjustment for prior periods	(869)	(597)
Tax increase (decrease) from effect of capital allowances and depreciation	7,944	8,402
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>112</u>	<u>1,394</u>
Total tax charge	<u>176,131</u>	<u>120,403</u>
Deferred tax		
Deferred tax assets and liabilities		
2016		Liability £
Difference between accumulated depreciation and amortisation and capital allowances		<u>151,000</u>
2015		Liability £
Difference between accumulated depreciation and amortisation and capital allowances		<u>145,000</u>

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 1 February 2015 to 30 January 2016

12 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 February 2015	622,500	622,500
At 30 January 2016	622,500	622,500
Amortisation		
At 1 February 2015	622,500	622,500
At 30 January 2016	622,500	622,500
Carrying amount		
At 30 January 2016	-	-
At 31 January 2015	-	-

13 Tangible assets

	Freehold Property £	Fixtures & Fittings £	Motor vehicles £	Plant & Computers £	Total £
Cost or valuation					
At 1 February 2015	2,558,610	728,564	5,469,119	5,177,710	13,934,003
Additions	-	37,110	495,748	242,307	775,165
Disposals	-	(532,185)	(693,963)	(2,529,701)	(3,755,849)
At 30 January 2016	2,558,610	233,489	5,270,904	2,890,316	10,953,319
Depreciation					
At 1 February 2015	394,392	610,756	4,148,158	3,736,691	8,889,997
Charge for the period	39,404	36,001	440,862	409,690	925,957
Eliminated on disposal	-	(532,185)	(681,749)	(2,529,155)	(3,743,089)
At 30 January 2016	433,796	114,572	3,907,271	1,617,226	6,072,865
Carrying amount					
At 30 January 2016	2,124,814	118,917	1,363,633	1,273,090	4,880,454
At 31 January 2015	2,164,218	117,808	1,320,961	1,441,019	5,044,006

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 1 February 2015 to 30 January 2016

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2016	2015
	£	£
Motor vehicles	936,179	952,716
Plant and machinery	17,073	39,210
	<u>953,252</u>	<u>991,926</u>

Contractual commitments for the acquisition of tangible assets

Contractual commitments for the acquisition of tangible assets were as follows:

	2016	2015
	£	£
Motor vehicles	853,704	336,552
Fixtures and fittings	44,906	-
	<u>898,610</u>	<u>336,552</u>

14 Investments in subsidiaries, joint ventures and associates

	30 Jan 2016	31 Jan 2015
	£	£
Investments in subsidiaries	<u>10,400</u>	<u>10,400</u>
Subsidiaries		£
Cost or valuation		
At 1 February 2015		<u>10,400</u>
Provision		
Carrying amount		
At 30 January 2016		<u>10,400</u>
At 31 January 2015		<u>10,400</u>

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 1 February 2015 to 30 January 2016

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2016	2015
Subsidiary undertakings				
Lundy Fish Limited	England and Wales	Ordinary	100%	100%

Lundy Fish Limited is dormant.

The profit for the financial period of Lundy Fish Limited was £nil and the aggregate amount of capital and reserves at the end of the period was £10,400.

15 Other investments

	30 Jan 2016 £	31 Jan 2015 £
Fixed asset investments		
Other investments	<u>3,100</u>	<u>3,100</u>

16 Stocks

	30 Jan 2016 £	31 Jan 2015 £
Finished goods	<u>1,578,635</u>	<u>1,722,810</u>

The cost of stocks recognised as an expense in the period amounted to £26,814,364 (2015 - £25,142,188).

17 Debtors

	Note	30 Jan 2016 £	31 Jan 2015 £
Trade debtors		2,242,794	1,903,182
Directors' current accounts	26	-	445,751
Other debtors		327,461	185,116
Prepayments		<u>320,106</u>	<u>248,645</u>
		<u>2,890,361</u>	<u>2,782,694</u>

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 1 February 2015 to 30 January 2016

18 Cash and cash equivalents

	30 Jan 2016 £	31 Jan 2015 £
Cash on hand	2,013	1,313
Cash at bank	1,806,901	35,819
	<u>1,808,914</u>	<u>37,132</u>

19 Creditors

	Note	30 Jan 2016 £	31 Jan 2015 £
Due within one year			
Loans and borrowings	20	680,268	338,183
Trade creditors		2,641,880	2,027,818
Amounts due to related parties	26	10,400	10,400
Corporation tax	11	171,000	114,000
Social security and other taxes		148,707	112,692
Outstanding defined contribution pension costs		16,444	41,634
Other creditors		569,625	8,411
Accrued expenses		540,507	395,751
Directors' current account		956,890	-
		<u>5,735,721</u>	<u>3,048,889</u>
Due after one year			
Loans and borrowings	20	<u>462,071</u>	<u>2,257,615</u>

20 Loans and borrowings

	30 Jan 2016 £	31 Jan 2015 £
Current loans and borrowings		
Bank borrowings	400,000	-
Finance lease liabilities	280,268	338,183
	<u>680,268</u>	<u>338,183</u>

Bank borrowings consist of a loan. The bank loan is secured by a legal charge over the company's properties. Interest is charged at 2.15% per annum above LIBOR and the loan is due for repayment in December 2016.

Net obligations under finance leases are secured by fixed charges over the relevant assets.

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 1 February 2015 to 30 January 2016

	30 Jan 2016 £	31 Jan 2015 £
Non-current loans and borrowings		
Bank borrowings	-	1,820,000
Finance lease liabilities	462,071	437,615
	<u>462,071</u>	<u>2,257,615</u>

Net obligations under finance leases are secured by fixed charges over the relevant assets.

21 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments under non-cancellable leases is as follows:

	2016 £	2015 £
Not later than one year	111,976	111,976
Later than one year and not later than five years	304,800	232,800
Later than five years	108,600	87,300
	<u>525,376</u>	<u>432,076</u>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £116,826 (2015 - £111,976).

22 Deferred tax and other provisions

	Deferred tax £	Other provisions £	Total £
At 1 February 2015	145,000	186,000	331,000
Increase (decrease) in existing provisions	<u>6,000</u>	<u>-</u>	<u>6,000</u>
At 30 January 2016	<u>151,000</u>	<u>186,000</u>	<u>337,000</u>

23 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £68,110 (2015 - £50,588).

Contributions totalling £16,444 (2015 - £41,634) were payable to the scheme at the end of the period and are included in creditors.

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 1 February 2015 to 30 January 2016

24 Share capital

Allotted, called up and fully paid shares

	No.	30 Jan 2016 £	No.	31 Jan 2015 £
Ordinary A shares of £1 each	85,267	85,267	85,267	85,267
Ordinary B shares of £1 each	30,000	30,000	30,000	30,000
	<u>115,267</u>	<u>115,267</u>	<u>115,267</u>	<u>115,267</u>

There are no voting rights attached to the ordinary B shares. The A and B ordinary shares rank pari passu in all other respects.

25 Financial instruments

Categorisation of financial instruments

	30 Jan 2016 £	31 Jan 2015 £
Financial assets that are equity instruments measured at cost less impairment	13,500	13,500
Financial liabilities measured at amortised cost	400,000	1,820,000

26 Related party transactions

Key management personnel

Key management personnel compensation comprises directors' remuneration which is disclosed in Note 6.

Transactions with directors

	At 1 Feb 2015 £	Advances to directors £	Repayments by director £	Other payments £	At 30 Jan 2016 £
2016					
Mr J P Dennis					
Directors' current account	<u>222,876</u>	<u>110,398</u>	<u>(811,719)</u>	<u>-</u>	<u>(478,445)</u>
Mrs E Dennis					
Directors' current account	<u>222,875</u>	<u>110,399</u>	<u>(811,719)</u>	<u>-</u>	<u>(478,445)</u>

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Notes to the Financial Statements

Period from 1 February 2015 to 30 January 2016

	At 2 Feb 2014 £	Advances to directors £	Repayments by director £	Other payments £	At 31 Jan 2015 £
2015					
Mr J P Dennis					
Directors' current account	<u>22</u>	<u>260,366</u>	<u>(37,512)</u>	<u>-</u>	<u>222,876</u>
Mrs E Dennis					
Directors' current account	<u>21</u>	<u>260,365</u>	<u>(37,511)</u>	<u>-</u>	<u>222,875</u>

Mr J P and Mrs E Dennis have a joint directors' current account with an equal share. At the year end, Mr J P and Mrs E Dennis were owed £956,890 by the company (2015: owed the company £445,751). The maximum amount overdrawn in the year totalled £448,039 (2015: £460,751). Interest is charged at a rate of 2.65% and interest totalling £2,477 (2015: £4,596) was paid by the directors in respect of the overdrawn accounts. The same interest rate is used for loans from directors. Total interest paid to the directors in the year in respect of the loan was £17,528.

Summary of transactions with entities with joint control

A company under joint control provides electricity to the company. During the year the company made purchases of £100,973 (2015: £67,848). The company also recharges costs to the company under joint control and total recharges in the year were £7,200 (2015: £29,405). At the balance sheet date the amount due to the company under joint control was £nil (2015: £nil).

Summary of transactions with other related parties

The company incurred rent payable of £58,200 (2015: £58,200) in respect of its depot at Ilfracombe which is rented from the Philip Dennis Pension Scheme. At the balance sheet date the amount due to the pension scheme in respect of this was £nil (2015: £nil).

Loans from related parties

	Other related parties £
2016	
Advanced	<u>568,000</u>

Terms of loans from related parties

The loan was made between the company and a relative of the directors. Interest is charged on the balance at 2.65%. Total interest paid to the party in the year was £2,557.

27 Transition to FRS 102

The company transitioned to FRS 102 from the previously extant UK GAAP as at 2 February 2014. There were no changes to the previously stated equity as at 2 February 2014 and 1 February 2015 or in the profit for the year ended 30 January 2015 as a result of the transition to FRS 102.

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Notes to the Financial Statements

Period from 1 February 2015 to 30 January 2016

28 Non adjusting events after the financial period

After the year end, the company repurchased 10,000 £1 ordinary 'B' shares at market value of £190,000, and cancelled 1 £1 ordinary 'A' share.

Subsequent to this, Philip Dennis (Holdings) Limited acquired 100% of the issued share capital of PDFS in exchange for a mixture of cash, ordinary shares, non-voting redeemable preference shares and non-qualifying corporate bond loan notes.

In order to facilitate this, the company reduced its share capital and issued an equivalent number of new shares to Philip Dennis (Holdings) Limited.