

**Vibrant Brands Limited (formerly East End Foods  
Limited)**

**Annual report and financial statements  
for the year ended 31 December 2020**

**Registered number: 01159183**





# **Vibrant Brands Limited**

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## **Vibrant Brands Limited**

### **Directors and advisors**

#### ***Directors***

Jeremy Stuart Hudson  
Umesh Purshottam Parmar  
Rohit Samani

#### ***Registered office***

East End House  
Kenrick Way  
West Bromwich  
West Midlands  
B71 4EA

#### ***Independent auditors***

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
One Chamberlain Square  
Birmingham  
B3 3AX

#### ***Bankers***

HSBC Bank Plc  
328 High Street  
West Bromwich  
West Midlands  
B70 8DL

Barclays Bank Plc  
15 Colmore Row  
Birmingham  
B32BH

#### ***Registered number***

01159183 (England & Wales)

## **Vibrant Brands Limited**

### **Strategic report for the year ended 31 December 2020**

The directors have pleasure in presenting their Strategic report for the year ended 31 December 2020.

#### ***Principal activities***

The principal activities of Vibrant Brands Ltd (the Company) in the year under review was that of wholesale provision merchants and cash and carry operators.

#### ***Business review***

The business has increased sales over the year compared to the prior period. As disclosed in the Financial Statements, there was a profit for the financial year amounting to £15,236,271 (2019: £8,773,568). A dividend of £nil was paid during the year (2019: £18,282,247), no other dividends have been declared. As at the year end the Company had net assets of £35,637,099 (2019: £20,400,828).

The business disposed of the cash and carry business in June 2020.

#### ***Principal Risks and Uncertainties***

The Company has an established, structured approach to risk management. The Company's activities expose it to a variety of risks and uncertainties including the effects of currency risk, price risk, liquidity risk and credit risk. The Company has adopted risk management policies that seek to mitigate these risks in a cost-effective manner. These are detailed further in the directors' report.

#### ***Financial Key Performance Indicators***

The directors monitor the following key performance indicators; turnover, gross profit margin and net profit before tax margin. The Company's turnover has increased by 2.1% to £139.2m (2019: £136.2m). Gross profit has increased from 16.0% to 21.0% with the total gross profit margin amounting to £29.2m (2019: £21.8m). Net profit margin increased to 10.9% from 6.4% with the total net profit amounting to £15.24m (2019: £8.77m).

# Vibrant Brands Limited

## Strategic report for the year ended 31 December 2020 (continued)

### SECTION 172(1) STATEMENT

A director of a company must act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and environment;
- the desirability of the company maintaining a reputation for high standards of business conduct;

And

- the need to act fairly as between members of the company.

### Our purpose and approach to decision-making

Our purpose is to grow the business to become a major player in the ethnic foods market across the UK and Continental Europe. Therefore we need to build strong relationships with all of our stakeholders, including customers, consumers, employees and suppliers. We aim to build a strong brand in the hearts and minds of consumers, recognising the important role we play in the daily lives of our consumers and our customers due to the nature of our products.

The Board meets on a monthly basis to discuss the performance of the business and is provided with a monthly board pack which includes not only details on the performance of the Company but also provides information about employees and strategic initiatives. The key decisions of the group are also discussed at these monthly meetings.

A key decision made by the Board since the acquisition by Exponent in November 2019 was the approval of the 2020 budget. The Board also re-affirmed the strategy and 3 year plan that had been developed for the Company as well as the whole Group during the process leading-up to the acquisitions during 2019.

### Engagement with stakeholders

The Board acknowledges that the long-term success of the Company is dependent on how it engages with a range of important stakeholders. Key stakeholders are considered in our decision-making in order to ensure that the directors' duties are discharged under s172 of the Companies Act.

#### Customers

We have frequent direct contact with most of our customers through our account management team. This facilitates proactive engagement to ensure that we build long-term relationships, deliver excellent customer service and meet the expectations of all our customers. To support this, we aim engage consumers with our brand and provide high quality products.

#### Suppliers

We have a dedicated procurement team with many years experience who have a world-wide network of raw materials suppliers and ensure that we are not overly-reliant on any one supplier. Formal contracts support those supplier relationships. Suppliers are assessed before we buy from them to ensure they provide us with the quality we demand and that they have the requisite technical capability - for example, they must have an appropriate food safety & quality accreditation (such as

## **Vibrant Brands Limited**

### **Strategic report for the year ended 31 December 2020 (continued)**

BRC or ISO). The Company is committed to ensuring that we only deal with suppliers who have the same ethics and standards of integrity as our own.

#### **Employees**

The Company is committed to equal opportunities for all, regardless of sex, race, disability, sexual orientation, religion, belief, age, ethnicity, trade union membership, nationality or ethnic origin. Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure their employment with the Company or Group continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

The Board recognises that the ability to retain talented & committed employees is essential to the long-term success of the Company. Following the acquisition of the Company in 2019 we are at the start of a very exciting journey and the Board is determined to make Vibrant Brands a great place to work for all our people. We have invested in a dedicated Human Resources team to facilitate this, who are also in the process of reviewing all employees' Terms & Conditions to introduce one standardised contract, with a core set of employee benefits, which will ensure fairness and consistency. In addition, a comprehensive set of policies is being introduced across the Group to replace existing employee handbooks.

#### **Community**

The Company recognises the importance of ensuring we operate safely and effectively within the local communities. During Covid-19, we have made donations to food banks and intend to continue similar activities.

The report has been approved by the board and signed on its behalf by:



Umesh Parmar

Director

24 September 2021

## **Vibrant Brands Limited**

### **Directors' report for the year ended 31 December 2020**

The directors present their report and the audited financial statements for the year ended 31 December 2020. The name of the business was changed from East End Foods Limited to Vibrant Brands Limited on 31 August 2021.

#### ***Future developments***

The directors aim to maintain management policies which have resulted in the Company's growth in recent years. They believe the growth will continue through greater efficiency and new product development.

#### ***Results and dividends***

The profit for the financial year, after taxation, amounted to £15,236,271 (2019: £8,773,568).

Final dividends of £nil (2019 £18,282,247) were recommended by the directors to be paid and were paid to shareholders during the year.

#### ***Directors***

The directors who served during the year and up to the date of signing of the financial statements are set out below:

Jeremy Stuart Hudson  
Umesh Purshottam Parmar (appointed 16/01/2020)  
Rohit Samani  
Devender Singh Wouhra (resigned 08/07/2021)  
Roger Deep Wouhra (resigned 08/07/2021)

#### ***Branches in the EU***

During the year the Company had a branch in Italy to supply key customers in the region.

#### ***Financial risk management objectives and policies***

The Company's principal exposure to risks are through pricing volatility, both within the products purchased and resold, which is linked to the overall market price; and through exposure to fluctuations in foreign exchange rates. The Company uses various financial instruments. These include cash and various items, such as trade debtors and trade creditors that arise directly from its operations as well as foreign exchange forward contracts. The main purpose of these financial instruments is to raise finance for the Company's operations. The existence of these financial instruments exposes the Company to a number of financial risks.

All transactions in derivatives are undertaken to manage the risks arising from underlying business activities and no transactions of a speculative nature are undertaken. The main risks arising from the Company's financial instruments are market risks. The directors review and agree policies for managing each of these risks and they are summarised below.

#### ***Market risk***

Market risk encompasses various types of risk; being currency risk, price risk, liquidity risk and credit risk. The Company's policies for managing these are:

#### ***Currency risk***

The Company is exposed to translation and transaction foreign exchange risk. In relation to foreign exchange risk the Company has access to a forward exchange contract facility and minimises this risk by balancing its currency assets and liabilities wherever possible.



## **Vibrant Brands Limited**

### **Directors' report for the year ended 31 December 2020 (continued)**

#### ***Financial risk management objectives and policies (continued)***

##### ***Price risk***

The Company's exposure to price risk consists mainly of movements in the value of commodities. The directors keep the price fluctuations under review and where possible agree quarterly prices in advance with customers and suppliers.

##### ***Liquidity risk***

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

##### ***Credit risk***

The Company's principal financial assets are trade debtors and cash. The principal credit risk arises therefore from its trade debtors. In order to manage credit risk, the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

##### ***Qualifying third party indemnity provisions***

The directors have the benefit of indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last and current financial year and at the date of approval of the financial statements.

##### ***Employees***

The Company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Company is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Company plays a major role in maintaining its current financial position. The Company encourages the involvement of employee's by means of both formal and informal communication and ad hoc meetings as and when necessary.

The Company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status.

##### ***Health, Safety and the Environment***

Commitment to safety is the Company's first consideration. The number of accidents is the first performance indicator reported to the senior management every month. Any accidents at the workplace are recorded, fully investigated and corrective action instigated at the earliest opportunity. The Company remains committed to sustainable development and is proactive in its efforts to reduce the impact of its activities on the environment.

##### ***Disabled Employees***

The Company gives full consideration to applications for employment from disabled persons where they would be able to adequately fulfill the requirements of the job. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

## **Vibrant Brands Limited**

### **Directors' report for the year ended 31 December 2020 (continued)**

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

#### ***Stakeholders engagement***

##### ***Employee engagement***

The Company communicates with employees on matters of concern throughout the year both informally and in formal meetings.

Matters resulting in structural changes within the Company are fully disclosed to affected employees through a formal consultation process when applicable.

##### ***Other stakeholder engagements***

The Company engages with stakeholder groups (customers, suppliers and partners, investors, employees and society) in a variety of formal and informal settings. These range from formal board meeting with Group investors to ongoing dialogues with customers and suppliers.

The board believes in the importance of conducting business responsibly. That means behaving ethically and respecting the environment

The Company aims to maintain high standards of business conduct and stakeholder engagement and to ensure a positive impact on the community and environment in which it operates.

#### ***Statement of directors' responsibilities in respect of the financial statements***

The directors are responsible for preparing the Annual report and financial statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

## **Vibrant Brands Limited**

### ***Directors' confirmations***

In the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the 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.

On behalf of the board



Umesh Parmar

Director

29 September 2021

## **Vibrant Brands Limited**

# **Independent auditors' report to the members of Vibrant Brands Limited (formerly East End Foods Limited)**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, Vibrant Brands Limited (formerly East End Foods Limited)'s financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: Statement of Financial Position as at 31 December 2020; Statement of Profit and Loss and Comprehensive Income and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial

## Vibrant Brands Limited

statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements, or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

## Vibrant Brands Limited

- Discussions with management to enquire of any known instances of non-compliance with Laws and Regulations and Fraud
- Reading board minutes for evidence of breaches of regulations and reading relevant correspondence
- Challenging assumptions and judgements made by management in their significant accounting estimates
- Identifying and testing journal entries, in particular journal entries posted with unexpected account combinations
- Incorporating unpredictability into the nature, timing and/or extent of our testing

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

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.

## Other required reporting

### Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Neil Philpott (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham

29 September 2021

## Vibrant Brands Limited

### Statement of Profit and Loss and Comprehensive Income for the year ended 31 December 2020

	Notes	Year ended 31.12.2020 Continuing £	Year ended 31.12.2020 Discontinued £	Year ended 31.12.2020 Total £
Turnover	4	72,662,039	66,495,009	139,157,048
Cost of sales		(48,984,345)	(60,955,593)	(109,939,938)
<b>Gross profit</b>		<b>23,677,694</b>	<b>5,539,416</b>	<b>29,217,110</b>
Distribution costs		(4,079,456)	(1,409,183)	(5,488,639)
Administrative expenses		(2,224,893)	(2,679,651)	(4,904,544)
Other operating income		10,545	-	10,545
<b>Operating profit</b>	5	<b>17,383,890</b>	<b>1,450,582</b>	<b>18,834,472</b>
Finance Income	9	16,443	-	16,443
Finance Costs	8	(2,785,005)	-	(2,785,005)
<b>Profit before taxation</b>		<b>14,615,328</b>	<b>1,450,582</b>	<b>16,065,910</b>
Tax on profit	10	(829,639)	-	(829,639)
<b>Profit for the financial year</b>		<b>13,785,689</b>	<b>1,450,582</b>	<b>15,236,271</b>
<b>Total comprehensive income for the financial year</b>		<b>13,785,689</b>	<b>1,450,582</b>	<b>15,236,271</b>

The Company has not recognised gains or losses other than the profits for the financial years as set out above.

The accounting policies and the notes on pages 16 to 31 form part of these financial statements.

## Vibrant Brands Limited

### Statement of Profit and Loss and Comprehensive Income for the year ended 31 December 2020

	Notes	8 months ended 31.12.2019 Continuing £	8 months ended 31.12.2019 Discontinued £	8 months ended 31.12.2019 Total £
Turnover	4	35,154,555	101,054,944	136,209,499
Cost of sales		(22,425,112)	(91,989,144)	(114,414,256)
<b>Gross profit</b>		12,729,443	9,065,800	21,795,243
Distribution costs		(1,066,604)	(3,422,841)	(4,489,445)
Administrative expenses		(1,859,149)	(4,544,546)	(6,403,695)
Other operating income		36,972	-	36,972
<b>Operating profit</b>	5	9,840,662	1,098,413	10,939,075
Finance Income	9	189,295	-	189,295
Finance Costs	8	(599,738)	-	(599,738)
<b>Profit before taxation</b>		9,430,219	1,098,413	10,528,632
Tax on profit	10	(1,755,064)	-	(1,755,064)
<b>Profit for the financial year</b>		7,675,155	1,098,413	8,773,568
<b>Total comprehensive income for the financial year</b>		7,675,155	1,098,413	8,773,568



## Vibrant Brands Limited

### Statement of Financial Position as at 31 December 2020

		31.12.2020	31.12.2019
	Note	£	£
<b>Fixed assets</b>			
Intangible assets	11	21,290	22,519
Tangible assets	12	4,136,669	5,298,369
		<b>4,157,959</b>	<b>5,320,888</b>
<b>Current assets</b>			
Stocks	13	11,128,761	24,099,152
Debtors	14	34,231,983	9,087,699
Cash at bank and in hand		6,305,319	8,835,396
		<b>51,666,063</b>	<b>42,022,247</b>
Creditors: amounts falling due within one year	15	(20,114,826)	(26,833,544)
<b>Net current assets</b>		<b>31,551,237</b>	<b>15,188,703</b>
<b>Total assets less current liabilities</b>		<b>35,709,196</b>	<b>20,509,591</b>
Creditors: amounts falling due after more than one year	16	(72,097)	(108,763)
<b>Net assets</b>		<b>35,637,099</b>	<b>20,400,828</b>
<b>Capital and reserves</b>			
Called up share capital	19	200,000	200,000
Profit and loss account		35,437,099	20,200,828
<b>Total shareholders' funds</b>		<b>35,637,099</b>	<b>20,400,828</b>

The accounting policies and the notes on pages 16 to 31 form part of these financial statements.

These financial statements on pages 12 to 31 were approved by the directors and authorised for issue on 29/09/2021 and are signed on their behalf by:

  
Umesh Parmar  
Director

Registered Number: 01159183

## Vibrant Brands Limited

### Statement of Changes in Equity for the Year Ended 31 December 2020

	Called Up Share Capital	Profit and loss account	Total shareholders' funds
	£	£	£
Balance as at 1 January 2020	200,000	20,200,828	20,400,828
Profit for the financial year	-	15,236,271	15,236,271
Total comprehensive income for the year	-	15,236,271	15,236,271
Dividends Note 6	-	-	-
Total transactions with owners, recognised directly in equity	-	-	-
<b>Balance as at 31 December 2020</b>	<b>200,000</b>	<b>35,437,099</b>	<b>35,637,099</b>

	Called Up Share Capital	Profit and loss account	Total shareholders' funds
	£	£	£
Balance as at 1 May 2019	200,000	29,709,507	29,909,507
Profit for the financial period	-	8,773,568	8,773,568
Total comprehensive income for the period	-	8,773,568	8,773,568
Dividends Note 6	-	(18,282,247)	(18,282,247)
Total transactions with owners, recognised directly in equity	-	(18,282,247)	(18,282,247)
<b>Balance as at 31 December 2019</b>	<b>200,000</b>	<b>20,200,828</b>	<b>20,400,828</b>

The accounting policies and the notes on pages 16 to 31 form part of these financial statements.

# **Vibrant Brands Limited**

## **Notes to the financial statements for the year ended 31 December 2020**

### **1 General Information**

Vibrant Brands Limited is a private limited company limited by shares incorporated in United Kingdom under the Companies Act. The address of the registered office is given on the Directors and advisors page and the nature of the Company's operations and its principal activities are set out in the strategic report.

### **2 Statement of compliance**

The individual financial statements of Vibrant Brands Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS102") and the Companies Act 2006.

### **3 Summary of significant accounting policies**

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 periods presented, unless otherwise stated. The Company has applied FRS102 in these financial statements.

#### ***Basis of preparation***

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards.

The principal accounting policies of the Company have been applied consistently with the prior years.

#### ***Going concern***

At the time of approval of the financial statements there are unprecedented levels of economic uncertainty related to the impact of COVID-19. Due to the nature of the Company's products and its customers being able to remain open throughout the recent lockdown year in the UK, there has been no material impact on the financial performance of the Company and the directors expect this to continue. The directors have reviewed the cashflow for the next 12 months and it shows that Company will have sufficient liquidity for its operations.

Vibrant Brands Limited was acquired by Vibrant Foods Limited on 26 November 2019 and the parent Company fully supports the Company

Based on the above, the Directors consider it appropriate to adopt the going concern basis in preparing its consolidated financial statements.

## **Vibrant Brands Limited**

### **Notes to the financial statements for the year ended 31 December 2020 (Continued)**

#### **3 Summary of significant accounting policies (continued)**

##### ***Exemptions of qualifying entities under FRS102***

The Company has taken advantage of the following exemptions on the basis that the information is included in the consolidated financial statements the Company's parent undertaking, Vibrant Foods Limited a company registered in the United Kingdom:

- From preparing a statement of cash flows;
- From the financial instrument disclosures, required under FRS102 paragraphs 11.39 to 11.48A and the paragraphs 12.26 to 12.29; and
- From disclosing the Company key management personnel compensation, as required by FRS102 paragraph 33.7.
- the requirements of section 11 and 12 of FRS 102.

The consolidated financial statements of Vibrant Foods Limited can be obtained from Companies House.

##### ***Turnover recognition***

Turnover is measured at fair value of the consideration received or receivable and represents the amount received for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Company and value added taxes. The Company recognises revenue when a) the significant risk and rewards of ownership have been transferred to the buyer and b) when the specific criteria relating to the each of the sales channels have been met as described below.

##### **Sale of goods - Wholesale of East End brand goods**

The Company buys stock from around the world which it cleans, grinds and packs under the East End Foods label to be sold to the retailers. The sale of goods is recognised on despatch to the retailers.

The sale is normally on credit terms which varies in accordance with the Company's credit policy.

##### **Sale of goods - Cash & Carry**

The Company operated cash and carry business until 18 June 2020 at which date the cash and carry business was sold.

##### **Other operating income**

The Company periodically hires out car park facilities at its Kenrick Way site. This income is recognised on a cash basis.

##### ***Tangible fixed assets and depreciation***

Tangible Fixed assets are shown 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.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land by the reducing balance method over their expected useful lives. The rates generally applicable are:

Freehold property	-	4% reducing balance
Leasehold property	-	4% reducing balance
Plant and machinery	-	15% reducing balance
Motor vehicles	-	25% reducing balance

## **Vibrant Brands Limited**

### **Notes to the financial statements for the year ended 31 December 2020 (Continued)**

#### **3 Summary of significant accounting policies (continued)**

##### ***Intangible fixed assets***

Intangible assets are stated at cost less amortisation and consist of patents and trademarks acquired. Amortisation is provided on a straight line basis at rates which are estimated to write off the intangible asset over its useful life.

Patents & rights - 4% straight line balance

##### ***Stocks***

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. In general, cost is determined on a first in first out basis. Net realisable value is based on estimated selling prices less any further costs expected to be incurred.

##### ***Taxation***

Corporation tax payable is provided on taxable profits at the current rate. Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

##### ***Foreign currency***

Transactions in foreign currencies are translated at the exchange rate ruling at the date of transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included in the profit and loss account.

##### ***Operating Leases***

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

##### ***Pension scheme***

The Company contributes to two defined contribution pension schemes. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the schemes.

##### ***Government grants***

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets in equal annual instalments.

Government grants of a revenue nature are credited to the profit and loss account in the same year as the related expenditure.

##### ***Financial instruments***

Derivatives such as forward foreign exchange contracts are initially recognised at fair value on the date the derivative contract is entered into and are subsequently measured at their fair value.

## **Vibrant Brands Limited**

### **Notes to the financial statements for the year ended 31 December 2020 (Continued)**

#### **3 Summary of significant accounting policies (continued)**

##### ***Financial instruments (continued)***

Changes in the fair value of derivatives are recognised in profit or loss in finance income or finance costs as appropriate.

##### ***Critical accounting judgements and estimation uncertainty***

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### ***Critical accounting estimates and assumptions***

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

###### ***Useful economic lives of tangible fixed assets***

The useful economic lives and residual values of tangible fixed assets are estimated based on economic utilisation and physical condition of the assets and are amended when necessary resulting in changes to the annual depreciation charge. The directors consider that the useful economic lives and residual values are appropriate.

###### ***Inventory provisioning***

The Company imports raw materials which are then packed under the East End brand. As a result it is necessary to consider the recoverability of the costs of inventory and associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions and anticipated saleability of finished goods and future usage of raw materials.

###### ***Impairment of debtors***

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

## Vibrant Brands Limited

### Notes to the financial statements for the year ended 31 December 2020 (Continued)

#### 4 Turnover

The turnover is attributed to the wholesale distribution of food.

An analysis of turnover by geographical market is included below. All sales originate in the UK. The principal activities of the Company and their respective contributions to turnover for the financial periods allocated by destination of output were:

#### Year ended 31.12.2020

	Turnover		
Wholesale distribution of food			
	Continuing £	Discontinued £	Total £
United Kingdom	64,194,519	66,495,009	130,689,528
Rest of the world	1,738	-	1,738
Europe	8,465,782	-	8,465,782
	<b>72,662,039</b>	<b>66,495,009</b>	<b>139,157,048</b>

#### 8 months ended 31.12.2019

	Turnover		
Wholesale distribution of food			
	Continuing £	Discontinued £	Total £
United Kingdom	30,989,662	101,054,944	132,044,606
Rest of the world	221,586	-	221,586
Europe	3,943,307	-	3,943,307
	<b>35,154,555</b>	<b>101,054,944</b>	<b>136,209,499</b>

## Vibrant Brands Limited

### Notes to the financial statements for the year ended 31 December 2020 (Continued)

#### 5 Operating profit

Operating profit is stated after charging/(crediting):

	Year ended 31.12.2020	8 months ended 31.12.2019
	£	£
<b>Services provided by the Company's auditors:</b>		
Fees payable for the audit of the Company	48,000	50,600
Depreciation of owned tangible fixed assets (note 12)	493,398	424,248
Amortisation of intangible fixed assets (note 11)	1,229	819
Hire of plant and machinery under operating lease	411,193	318,459
Land and buildings rentals	697,644	696,667
(Profit) on disposal of tangible fixed assets	(916)	(15,477)
Amortisation of Government grant	(36,666)	(24,444)
Foreign currency loss / (gain)	740,548	(714,328)
Reversal of impairment of trade receivables	(1,000,647)	(15,639)
Reduction of inventory provision	(677,328)	1,876,264
Profit on disposal of trade and assets	(7,760,146)	-
Other operating income - hire of car park	-	(5,196)

In accordance with SI 2008/489 the Company has not disclosed the fees payable to the Company's auditors for 'Other services' as this information is included in the consolidated financial statements of Vibrant Foods Limited, the Company's immediate parent.

#### 6 Dividends

	Year end 31.12.2020	Period end 31.12.2019
	£	£
<b>Equity - ordinary</b>		
Final paid: £nil (2019: £91) per A-class and B-class Ordinary shares	-	18,282,247
Total	-	18,282,247



## Vibrant Brands Limited

### Notes to the financial statements for the year ended 31 December 2020 (Continued)

#### 7 Directors and employees

	Year ended 31.12.2020 £	8 months ended 31.12.2019 £
Wages and salaries	8,785,860	6,483,555
Social security costs	562,307	400,837
Other pension costs (note 21)	154,327	211,593
	<b>9,502,494</b>	<b>7,095,985</b>

The average monthly number of employees of the Company during the year was:

	Year ended 31.12.2020 £	8 months ended 31.12.2019 £
	Number	Number
Directors	5	8
Production	190	253
Administration	65	89
	<b>260</b>	<b>350</b>

Remuneration in respect of directors was as follows:

	Year ended 31.12.2020 £	8 months ended 31.12.2019 £
Aggregate emoluments	139,103	320,100

Pension in respect of directors was as follows:

	Year ended 31.12.2020 £	8 months ended 31.12.2019 £
Pension contributions to money purchase pension schemes	600	6,400

The company has additional directors that are paid for their services through other group companies.

## Vibrant Brands Limited

### Notes to the financial statements for the year ended 31 December 2020 (Continued)

#### 7 Directors and employees (continued)

During the year, 1 director (31.12.2019: 4) participated in money purchase pension schemes.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	Year ended 31.12.2020 £	8 months ended 31.12.2019 £
Total amounts of emoluments	139,703	49,549

#### 8 Finance Costs

	Year ended 31.12.2020 £	8 months ended 31.12.2019 £
Other interest	26,797	66,976
Results on derivatives	2,758,208	532,762
	2,785,005	599,738

Other interest relates to director's loan interest £nil (31.12.2019: £66,976) and interest on corporation tax liability.

#### 9 Finance Income

	Year ended 31.12.2020 £	8 months ended 31.12.2019 £
Other interest	16,443	189,295
	16,443	189,295

The other interest relates to interest received from bank deposits.

## Vibrant Brands Limited

### Notes to the financial statements for the year ended 31 December 2020 (Continued)

#### 10 Tax on profit

(a) The tax charge is based on the profit before taxation and represents:

	Year ended 31.12.2020 £	8 months ended 31.12.2019 £
United Kingdom corporation tax for the year	839,676	1,755,046
Adjustments in respect of previous years	14,446	(1,900)
Total current tax	854,122	1,753,146
Deferred tax:		
Origination and reversal of timing differences	(15,370)	16,570
Adjustment in respect of previous years	(22,186)	(12,908)
Effect of change in tax rates	13,073	(1,744)
Total deferred taxation (note 18)	(15,716)	1,918
Tax on profit (note 10(b))	829,639	1,755,064

## Vibrant Brands Limited

### Notes to the financial statements for the year ended 31 December 2020 (Continued)

#### 10 Tax on profit (continued)

(b) Factors affecting tax charge for the year:

The tax assessed for the year is lower (31.12.2019: lower) than the standard rate applying in the UK of 19.00% (31.12.2019: 19.00%). The differences are explained below:

	Year ended 31.12.2020 £	8 months ended 31.12.2019 £
Profit before taxation	16,065,910	10,528,632
Profit before tax multiplied by standard rate of corporation tax on the UK of 19.00% (31.12.2019: 19.00%)	3,052,523	2,000,440
Effect of:		
Expenses not deductible for tax purposes	161,422	70,359
Income not deductible for tax purposes	(1,341,892)	(4,741)
Effect of group relief/other reliefs	(1,047,747)	(294,443)
Effects of changes in tax rates	13,073	(1,743)
Adjustments in respect of previous years	(7,740)	(14,808)
Total tax charge for the year (see note 10(a))	829,639	1,755,064

#### Factors that may affect future tax charges

A rate of 19% applies to current tax liabilities arising in the year. The deferred tax credit has been calculated at the rate likely to exist at the time of utilisation.

# Vibrant Brands Limited

## Notes to the financial statements for the year ended 31 December 2020 (Continued)

### 11 Intangible assets

	Patents and trademarks
	£
<b>Cost</b>	
At 1 January 2020	30,710
<b>At 31 December 2020</b>	<b>30,710</b>
<b>Accumulated amortisation</b>	
At 1 January 2020	8,191
Charge in the year	1,229
<b>At 31 December 2020</b>	<b>9,420</b>
<b>Net book value</b>	
<b>At 31 December 2020</b>	<b>21,290</b>
At 31 December 2019	22,519

## Vibrant Brands Limited

### Notes to the financial statements for the year ended 31 December 2020 (Continued)

#### 12 Tangible assets

	Freehold property	Leasehold property	Plant and machinery	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2020	215,517	3,326,417	16,965,396	123,204	20,630,534
Additions	-	242,839	508,338	15,164	766,341
Disposals	-	(389,678)	(9,241,602)	(32,498)	(9,663,778)
<b>At 31 December 2020</b>	<b>215,517</b>	<b>3,179,578</b>	<b>8,232,132</b>	<b>105,870</b>	<b>11,733,097</b>
<b>Accumulated depreciation</b>					
At 1 January 2020	-	1,556,732	13,707,969	67,464	15,332,165
Charge in the year	8,621	64,836	405,926	14,015	493,398
Disposals	-	(79,035)	(8,123,886)	(26,214)	(8,229,135)
<b>At 31 December 2020</b>	<b>8,621</b>	<b>1,542,533</b>	<b>5,990,009</b>	<b>55,265</b>	<b>7,596,428</b>
<b>Net book value</b>					
<b>At 31 December 2020</b>	<b>206,896</b>	<b>1,637,045</b>	<b>2,242,123</b>	<b>50,605</b>	<b>4,136,669</b>
At 31 December 2019	215,517	1,769,685	3,257,427	55,740	5,298,369

#### 13 Stocks

	31.12.2020	31.12.2019
	£	£
Finished goods and goods for sale	11,128,761	24,099,152

## Vibrant Brands Limited

### Notes to the financial statements for the year ended 31 December 2020 (Continued)

#### 14 Debtors

	31.12.2020 £	31.12.2019 £
Trade debtors	9,015,114	6,610,516
Amount owed by group undertakings	16,878,622	717,194
Other debtors	5,160,617	25,852
Derivative financial instruments	791,528	144,612
VAT	427,436	1,170,187
Prepayments and accrued income	1,958,666	419,338
	<b>34,231,983</b>	<b>9,087,699</b>

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand. Trade debtors are stated after provisions for impairment of £200,647 (31.12.2019: £1,730,909). Derivative financial instruments above are measured at fair value through the profit and loss account. All other financial instruments are measured at amortised cost.

#### 15 Creditors: amounts falling due within one year

	31.12.2020 £	31.12.2019 £
Trade creditors	8,561,743	22,499,103
Corporation tax	845,355	1,317,015
Deferred tax (note 18)	108,821	124,537
Other creditors	16,297	858,363
Other taxation and social security	185,491	224,424
Amount owed from group undertakings	4,507,994	-
Derivative financial instruments	4,139,643	734,519
Accruals and deferred income	1,749,482	1,075,583
	<b>20,114,826</b>	<b>26,833,544</b>

Amounts owed from group undertakings are unsecured, interest free and are repayable on demand. Derivative financial instruments above are measured at fair value through the profit and loss account. All other financial instruments are measured at amortised cost.

## Vibrant Brands Limited

### Notes to the financial statements for the year ended 31 December 2020 (Continued)

#### 16 Creditors: amounts falling due after more than one year

	Year ended 31.12.2020 £	8 months ended 31.12.2019 £
<b>Deferred income – Government grants</b>		
Balance brought forward	108,763	133,207
Released during the year	(36,666)	(24,444)
Balance carried forward	72,097	108,763

#### 17 Capital and other commitments

The Company had the following future minimum lease payments under non-cancellable operating leases for each of the following years:

	Operating leases:			
	Land and buildings		Others	
	31.12.2020 £	31.12.2019 £	31.12.2020 £	31.12.2019 £
Operating leases which expires:				
Within one year	390,000	1,045,000	506,224	256,563
Within 2 to 5 years	1,560,000	4,015,000	1,050,317	331,908
In more than 5 years	3,262,207	3,652,207	674,345	-
	5,212,207	8,712,207	2,230,886	588,471

All operating leases are paid in instalments. Significant movement in land and buildings is due to sale of the cash and carry business and the increase in Others due to signing new HGV leases.



## Vibrant Brands Limited

### Notes to the financial statements for the year ended 31 December 2020 (Continued)

#### 18 Provision for Liabilities

	Deferred taxation £
At 1 January 2020	124,537
Deferred tax credit to profit and loss for the year (note 10)	(15,716)
<b>At 31 December 2020</b>	<b>108,821</b>

Deferred taxation provided and unprovided for in the financial statements is set out below:

	Provided	
	31.12.2020	31.12.2019
	£	£
Accelerated capital allowances	(7,974)	(8,783)
Derivative financial liabilities	116,795	133,320
<b>Total deferred tax liability</b>	<b>108,821</b>	<b>124,537</b>

#### 19 Called up share capital

	Year ended 31.12.2020 £	8 months ended 31.12.2019 £
Allotted and fully paid		
50,000 (2019: 50,000) A Class Ordinary shares of £1 each	50,000	50,000
150,000 (2019: 150,000) B Class Ordinary shares of £1 each	150,000	150,000
	<b>200,000</b>	<b>200,000</b>

A class shares and B class shares carry the same rights in all respects save for the instance of the winding up of the Company whereby A class shares shall rank above B class shares in respect of the first £100 of the value of the shares, thereafter A class and B class shall rank equally for the distribution of the Company's assets upon the winding up of the Company.

## **Vibrant Brands Limited**

### **Notes to the financial statements for the year ended 31 December 2020 (Continued)**

#### **20 Guarantees and commitments**

The Company has given bank guarantees of £2,000,000 (31.12.2019: £2,000,000) in respect of VAT on imports and other commercial guarantees to third parties totaling £450,000 (31.12.2019: £450,000).

#### **21 Pension commitments**

The Company operates two defined contribution pension schemes, one for directors and one for the employees. The assets of the schemes are held separately from those of the Company in independently administered funds. Contributions of £154,327 (31.12.2019: £211,593) were made by the Company in the year.

#### **22 Transactions with directors**

The amount owed by the directors representing the maximum overdrawn balances was £nil (31.12.2019: £nil).

#### **23 Related party transactions**

During the year, the Company entered into transactions with East End Foods Properties Limited, in which some were directors. The transactions were as follows:

Rentals of £32,623 (31.12.2019: £36,667 use of the Aston cross bonded warehouse) were paid to the pension scheme for the use of the Aston cross bonded warehouse. £390,000 (31.12.2019: £260,000) for the use of Kenrick Way property and £300,300 (31.12.2019: £400,000) for the use of the Aston Cross and Steel Bright cash and carry properties was paid to East End Properties Ltd (a fellow subsidiary of Vibrant Foods Limited).

During the year, the Company purchased, from Quality Natural Foods - Dubai £nil (31.12.2019: £6,818,955) of goods and services and at 31 December 2020, £nil (31.12.2019: £nil), was due to that company. Quality Natural Foods is a company in which Devender Singh Wouhra is a director. During the year, the Company had professional services from JDG Midlands Investments Ltd £44,000 (31.12.2019: £nil) and at 31 December 2020 £nil (31.12.2019: £nil) was due to that company in which Devender Singh Wouhra is a director.

#### **24 Ultimate controlling party**

Vibrant Foods Limited, a company incorporated in the United Kingdom, is the Company's immediate parent undertaking. Vibrant Foods Limited is the smallest group and Vibrant Topco Limited the largest group to consolidate the results of these financial statements.

The ultimate controlling party is Exponent Private Equity IV, LP, a fund managed by Exponent Private Equity LLP.