# Pelican Rouge Coffee Solutions Limited

## Annual report and financial statements for the period from 30th March 2015 to 31 March 2016

**Registered number 02605313**

# Pelican Rouge Coffee Solutions Limited

## Annual report and financial statements
## for the period from 30th March 2015 to 31 March 2016

## Contents

# Pelican Rouge Coffee Solutions Limited

## Directors and advisers for the period from 30 March 2015 to 31 March 2016

**Directors**
DH Abrahams
K Geysels (resigned 1 July 2016)
G Kara (appointed 1 July 2016)

**Registered office**
Apollo
Odyssey Business Park
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Middlesex
HA4 6QD

**Bankers**
National Westminster Bank plc
City of London Office
PO Box 12258
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London
EC2R 8PA

**Solicitors**
T G Baynes
Baynes House
5 Market Street
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Kent
DA1 1DB

**Independent auditors**
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Atrium
1 Harefield Road
Uxbridge
Middlesex
UB8 1EX

**Registered number**
02605313

# Pelican Rouge Coffee Solutions Limited

## Strategic report for the period from 30 March 2015 to 31 March 2016

The Directors present their strategic report for the financial period from 30 March 2015 to 31 March 2016 ('the period'). The comparative financial period was the 52 week period ended 29 March 2015.

**Principal activities**

The principal activities of the company during the period were to supply, install, service and operate a comprehensive range of drink, snack and food vending equipment and systems and to sell a comprehensive range of vending, catering and hygiene products.

**Business review and results**

The Company has adopted FRS 101 (IFRS with reduced disclosures) during the year. The Company has traded in a competitive market and returned results which are in line with expectations. The Company is one of the largest vending machine operators in the UK with the installed machine base spread across the country. The size of the Company's network provides significant economies of scale, in terms of route density and logistics, which enables it to retain advantages in terms of delivery and pricing over smaller competitors. During the year the Company restructured its sales function and increased its focus on the London market.

Results for the period show a loss on ordinary activities before taxation of £31,206,000 (2015: profit £440,000) on a turnover of £121,840,000 (2015: £125,273,000).The loss for the period is after £18,375,000 impairment of intangible assets, £8,915,000 impairment of tangible assets, £3,707,000 charge for franchise fees and £1,385,000 charge for exceptional items. At 31 March 2016, the net assets were £15,979,000 after impairment of £27,290,000 assets (2015:£47,185,000). The impairment charge in the Company arose due to the financial review of the investments and goodwill performed at group level.

No dividends have been paid or proposed for the period under review (2015: £nil).

The Company acquired the trade and assets of Maas International Limited in March 2015. The principal business activity of Maas International Limited is the same as the company being the supply, operation and maintenance of a range of drink and food vending equipment together with a comprehensive range of vending and catering supplies.

The Company is part of the Pelican Rouge BV group (the "Group") (see Note 21), which operates a group treasury function. The Directors of the Group consider that the facilities in place provide sufficient funds to enable the Group to develop and grow the Pelican Rouge Coffee Solutions Limited business.

**Key Performance Indicators**

Operating loss before finance income and charges as a percentage of revenue was -24.7% (2015: 1.1%) after adjusting for impairment.

The above KPIs after impairment are in line with our expectations of more difficult trading conditions. The performance of the business is expected to improve following the restructuring activities undertaken during the period.

# Pelican Rouge Coffee Solutions Limited

## Strategic report for the period from 30 March 2015 to 31 March 2016 (continued)

**Principal risks and uncertainties**

**Economic trends**
In line with the majority of the vending industry, the Company has experienced some throughput decline on its existing machine base over the last few financial years, with the impact from lower employment and footfall in some of its customer segments. Reversing this decline has been top of the Company's objectives during 2016 and recent progress has been encouraging.

**Commodity markets**
The Company has limited exposure to movements in coffee prices. The majority of commodity price movements are passed onto our customers.

**Business mix**
The Company operates a number of business models. Focus is given to ensuring that trends over time in customer preferences are identified in good time, enabling the company to restructure operations in such a way as to maintain operating margins, and ensure that it can continue to offer excellent service at prices which are competitive in the relevant markets.

**Position of the business**
The net asset position of the business as at 31 March 2016 is £15,979,000 (2015:£47,158,000)

Approved by the Board of Directors and signed on behalf of the Board.

**DH ABRAHAMS**
Director
21 December 2016

# Pelican Rouge Coffee Solutions Limited

## Directors' report for the period from 30 March 2015 to 31 March 2016

The Directors present their report and the audited financial statements for the period ended 31 March 2016.

**Future developments**
The Company strategy is to continue to grow organically by expanding and developing business with existing customers and by gaining new business with additional customers, improving the efficiency of operations.

**Qualifying Third Party Indemnity provisions**
The Company maintains liability insurance for its Directors and Officers. Following Shareholder approval, the company has also provided an indemnity for its Directors and the Secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. The policies were in place during the period and at the date of approval of the financial statements.

**Employees**
Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole. Communication with all employees continues through the in-house newsletter and the distribution of the annual report.

**Dividends**
The Directors do not propose the payment of a dividend (2015: £nil).

**Financial risk management objectives and policies**

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks.

**Cash flow Risk**

The Company mitigates cash flow risk by maintaining strong controls by weekly reporting to the Group Treasury function on working capital performance and cash flow forecasting.

**Credit Risk**

The Company's principal financial assets are bank balances and cash, trade and other debtors.
The Company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

# Pelican Rouge Coffee Solutions Limited

## Directors' report for the period from 30 March 2015 to 31 March 2016 (continued).

**Liquidity Risk**

The Company regularly monitors the level of working capital to ensure the Company has sufficient funds available for operations.

**Price Risk**

The Company has exposure to coffee price risk as a result of its operations. However, given that a significant proportion of coffee price movements can be passed onto customers, the exposure is considered limited.

**Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework (FRS101)*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Pelican Rouge Coffee Solutions Limited

## Directors' report for the period from 30 March 2015 to 31 March 2016 (continued)

**Statement on disclosure of information to auditors**
So far as each Director is aware there is no relevant audit information of which the company's auditors are unaware and each Director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

**Independent auditors**
PricewaterhouseCoopers LLP have expressed their willingness to remain in office and a resolution concerning their reappointment shall be proposed at the annual general meeting.

**Directors**
The Directors of the company who were in office during the period and up to the date of signing the financial statements were:

DH Abrahams
K Geysels (resigned 1 July 2016)
G Kara(appointed 1 July 2016)

Approved by the Board of Directors and signed on behalf of the Board

**DH ABRAHAMS**
Director
21 December 2016

# *Independent auditors' report to the members of Pelican Rouge Coffee Solutions Limited*

## Report on the financial statements

### Our opinion

In our opinion, Pelican Rouge Coffee Solutions Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss for the 52 week period (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.

### What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 March 2016;
- the Income Statement for the period then ended;
- the Statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

## Opinion on other matter prescribed by the Companies Act 2006

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

## Other matters on which we are required to report by exception

### Adequacy of accounting records and information and explanations received

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

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

*We have no exceptions to report arising from this responsibility.*

### Directors' remuneration

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

## Responsibilities for the financial statements and the audit

### Our responsibilities and those of the directors

As explained more fully in the Dtatement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

### What an audit of financial statements involves

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

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

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

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

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

Lee Jarrett (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge
22 December 2016

# Pelican Rouge Coffee Solutions Limited

## Income Statement for the period from 30 March 2015 to 31 March 2016

| | Note | 2016 £000 | 2015 £000 Restated |
|---|---|---|---|
| **Revenue** | 2 | **121,840** | 125,273 |
| Cost of sales | | **(68,283)** | (73,203) |
| **Gross profit** | | **53,557** | 52,070 |
| Administrative expenses | | **(83,628)** | (50,730) |
| **Loss/Profit on ordinary activities before finance charges** | 3 | **(30,071)** | 1,340 |
| Finance income | 6 | **-** | 257 |
| Finance costs | 7 | **(1,135)** | (1,157) |
| **Loss/Profit on ordinary activities before taxation** | | **(31,206)** | 440 |
| Income tax expense on ordinary activities | 8 | **-** | - |
| **Loss/Profit for the financial year** | | **(31,206)** | 440 |
| **Loss/Profit attributable to:** | | | |
| - Owners of the parent | | **(31,206)** | 440 |

All results are derived from continuing operations.

There is no material difference between the loss on ordinary activities before taxation and the loss for the periods stated above, and their historical cost equivalents.

The Company has no recognised gains and losses other than its profit/ (loss) for the financial years ended 31 March 2016 and 2015, and hence no separate statement of other comprehensive income has been presented.

Notes on pages 12 to 31 support the financial results.

# Pelican Rouge Coffee Solutions Limited

## Statement of Financial Position as at 31 March 2016

| | Note | 2016<br>£000 | 2015<br>£000<br>Restated |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Intangible assets | 9 | **-** | 18,375 |
| Property, plant and equipment | 10 | **21,547** | 33,596 |
| | | **21,547** | 51,971 |
| **Current assets** | | | |
| Inventory | 11 | **8,780** | 8,859 |
| Trade and other receivables | 12 | **38,600** | 48,250 |
| Cash and cash equivalents | | **9,031** | 8,407 |
| | | **56,411** | 65,516 |
| **Total assets** | | **77,958** | 117,487 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Creditors: amounts falling due after more than one year | 13 | **(26,240)** | (32,179) |
| Provisions for liabilities | 14 | **(1,011)** | (1,442) |
| | | **(27,251)** | **(33,621)** |
| **Current liabilities** | | | |
| Creditors: amounts falling due within one year | 13 | **(34,728)** | (36,681) |
| **Total liabilities** | | **(61,979)** | (70,302) |
| | | **15,979** | 47,185 |
| **Net Assets** | | | |
| **Equity** | | | |
| Called up share capital | 15 | **4** | 4 |
| Capital contribution reserve | 16 | **36,469** | 36,469 |
| Profit and loss account | 16 | **(20,494)** | 10,712 |
| **Total equity** | | **15,979** | 47,185 |

These financial statements were approved by the board of directors on 21 December 2016 and were signed on its behalf by:

**DH ABRAHAMS**
Director

The notes on pages 12 to 31 form part of these financial statements.

**Company Reg No: 02605313**

# Pelican Rouge Coffee Solutions Limited

## Statement of changes in equity for the period from 30 March 2015 to 31 March 2016

| | Called up share capital (Note 17) | Capital Contribution Reserve | Profit and Loss Account | Total |
|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 |
| **Balance at 1 April 2014** | 4 | 36,469 | 10,272 | 46,745 |
| Profit/(Loss) for the period | | | 440 | 440 |
| **Total comprehensive income for the period** | - | - | 440 | 440 |
| **Balance at 29 March 2015** | 4 | 36,469 | 10,712 | 47,185 |
| Loss for the period | | | (31,206) | (31,206) |
| **Total comprehensive income for the period** | - | - | (31,206) | (31,206) |
| **Balance at 31 March 2016** | 4 | 36,469 | (20,494) | 15,979 |

# Pelican Rouge Coffee Solutions Limited

## Notes to the financial statements for the period from 30 March 2015 to 31 March 2016

### 1 Accounting policies

**Basis of preparation**

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 March 2016 the company has changed its accounting framework from UK GAAP to FRS 101 as issued by the Financial Reporting Council and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices.

These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. The Company communicated the intention to adopt the FRS 101 framework on 18 November 2016; the shareholders of the Company did not object to the adoption of FRS 101 'Reduced Disclosure Framework'. The prior year financial statements were re-stated for material adjustments on adoption of FRS 101 in the current year. For more information see note 25.

The financial statements have been prepared under historical cost convention, as modified by the revaluation of derivative financial assets and financial liabilities at fair value through profit or loss, and in accordance with the Companies Act 2006.

Some of the FRS 101 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 101. The directors have also taken advantage of certain exemptions from the requirements permitted by IFRS 1 'First-time Adoption of International Financial Reporting Standards'. The exemptions taken are set out below.

The financial statements contain information about Pelican Rouge Coffee Solutions Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 228A of the Companies Act 1985 (CA 2006, S401) from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Pelican Rouge BV Group, a company incorporated in the Netherlands.

As permitted by FRS 101, the company has taken advantage some of the disclosure exemptions available under that standard. The key exemptions taken are as follows:

- IFRS 3 – not to restate business combinations before the date of transition
- IFRS 7 – financial instrument disclosures
- IFRS 13 – disclosures of valuation techniques and inputs used for fair value measurements of assets and liabilities
- IAS 1 – disclosure of information on management of capital
- IAS 7 – preparation of the statement of cash flows
- IAS 8 – disclosures in respect of new standards and interpretations that have been issued but are not yet effective
- IAS 24 – disclosure of key management compensation and for related party disclosures entered into between two or more members of a group

# Notes to the financial statements for the period from 30 March 2015 to 31 March 2016 (continued)

**1 Accounting policies (continued)**

## Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The strategic report also describes the financial position of the Company; its cash flows, liquidity position and borrowing facilities; the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

The Company meets its day to day working capital requirements through a rigorous weekly forecasting process, tight credit control and stock management processes.
The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In respect of amounts due after more than one year, confirmations have been obtained from these undertakings that payment will not be required within 12 months of the date of approval of the financial statements.

The Company therefore continues to adopt the going concern basis in preparing its annual financial statements.

No New accounting standards, or amendments to accounting standards or IFRIC interpretations that are effective for the year ended 31 March 2016 have had a material effect in the Company.

## (a) Revenue

Revenue represents the invoiced value of goods and services for the sales, supply, installation, service and operation of a comprehensive range of drink, snack and food vending equipment and systems. Revenue is recognised at the fair value of the consideration received net of discounts and value added tax. The business derives revenue from a number of streams and therefore uses a variety of methods for revenue recognition.

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the customer, the right to the revenue has been earned and recovery of the consideration is probable and revenue and costs can be reliably measured.

Rendering of services

The Company also provides services to clients in the form of maintenance and repairs services and hygiene services. Where the income is dependent on the work performed, the revenue is recognised based on records of technical site visits or other service provided.

## (b) Translation of foreign currencies

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment the Company operates in.

Normal trading activities denominated in foreign currencies are translated into pounds sterling at rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange at the statement of financial position date. Exchange gains and losses are dealt with in the income statement.

# Pelican Rouge Coffee Solutions Limited

## Notes to the financial statements for the period from 30 March 2015 to 31 March 2016 (continued)

**1 Accounting policies (continued)**

**(c) Property, plant and equipment and depreciation**

Property, plant and equipment are stated at historic purchase cost less accumulated depreciation and impairment. 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 provided against the cost of the property, plant and equipment over their expected useful economic lives on a straight line basis within the following ranges:

| | |
|---|---|
| Plant, machinery and motor vehicles | 3 - 9 years |
| Fixtures, fittings and equipment | 3 - 7 years |
| Leasehold Improvements | 50 years or lease period if shorter |

The useful economic life of the machine estate is 5 years for table top dispensing machines and 9 years for free standing vending machines. Refurbished machines have an economic life of 3 years.

The assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

**(d) Taxation**

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the statement of financial position date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position 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 at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Current tax is provided by applying the current tax rate to the result for the financial period, as adjusted for applicable loss carried forward, exempt profit elements, non-deductible costs, and group relief available

**(e) Pensions**

Pensions are funded through contributions to The Pelican Rouge Group Retirement Benefits Plan. The Company in line with group policy has adopted IAS19 “Employee benefits”, however is unable to identify its share of the underlying assets and liabilities within that pension scheme; contributions payable to the scheme in the year are charged in full to the profit and loss account.

Pelican Rouge BV, the company's intermediate parent company and the parent of the smallest Group for which financial statements are drawn up and of which the company is a member, has implemented in full IAS19 "Employee benefits". Details of the scheme are included within their financial statements.
The company is party to The Pelican Rouge Group Personal Pension Plan which runs alongside The Pelican Rouge Group Retirement Benefits Plan. For this defined contribution scheme the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable and those actually paid are shown as either accruals or prepayments in the balance sheet.

# Pelican Rouge Coffee Solutions Limited

## Notes to the financial statements for the period from 30 March 2015 to 31 March 2016 (continued)

### 1 Accounting policies (continued)

**(f) Inventories**

Inventories are valued at the lower of cost and net realisable value after making allowance for obsolete and slow moving items. Cost is calculated on a "first-in first-out" basis and comprises in the case of bought in goods the invoice price. Net realisable value is based on estimated selling price less all future costs to completion and all relevant marketing, selling and distribution costs.

**(g) Accrued income and deferred income**

Revenue recognised in the income statement but not yet invoiced is held on the balance sheet within prepayments and accrued income. Revenue invoiced but not yet recognised in the income statement is held on the balance sheet within accruals and deferred income.

**(h) Leases**

Leasing rentals in respect of operating leases are charged to the income statement on a straight-line basis over the lease term, even if payments are not made, or benefits received, on such a basis.

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between interest, which is charged to the profit and loss account, and capital which reduces the outstanding obligation.

**(i) Intangible fixed assets**

**Goodwill**

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the cash-generating unit (CGU) containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

**(k) Related parties**

The Company has taken advantage of the exemption of certain disclosure requirements under IAS 24 over the provision of 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Pelican Rouge BV Group , whose financial statements are publicly available.

# Pelican Rouge Coffee Solutions Limited

## Notes to the financial statements for the period from 30 March 2015 to 31 March 2016 (continued)

**1 Accounting policies (continued)**

### (l) Fixed asset investments

Fixed asset investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

### (m) Provisions

In accordance with FRS 101, provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

### (n) Critical accounting estimates and judgements

The preparation of financial statements requires management to use judgement in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgements are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are considered to be reasonable under the circumstances.

The key assumptions concerning the future, and other key sources of estimation at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of non-current assets

The Company determines whether property, plant and equipment are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the relevant cash-generating unit (CGU). Recoverable amount is the higher of fair value less costs to sell and value in use. For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as cash-generating units. Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters.

Inventories

Inventories include perishable products which requires the Group to make estimates regarding the amount of goods whose shelf life will expire before they are sold in order to determine the appropriate level of provisions to be recorded. Such provisions are therefore calculated with reference to the level of inventories held, average sales, and expiry dates. Provisions for spare parts held in inventory are calculated according to the inventory turnover ratio.

Sales estimations

Where sales are based on consumption in the machines, there may be a timing difference between the date on which the cash was last collected from the machines or the date on which the sales readings were taken. In this case an estimate of the sales between the date of the last cash collection or the last machine reading and the end of the period is made. The estimate is based on historical sales trends in respect of the specific client sites and machines. The estimated amount of sales which have been neither collected in cash or invoiced to customers are recorded as Accrued income and uncollected cash in points-of-sale.

# Pelican Rouge Coffee Solutions Limited

## Notes to the financial statements for the period from 30 March 2015 to 31 March 2016 (continued)

## 2 Revenue

| | **2016** | 2015 |
|---|---|---|
| **Geographical analysis of revenue by destination** | **£000** | £000 |
| United Kingdom | **121,840** | 125,258 |
| Other European countries | **-** | 15 |
| | **121,840** | 125,273 |

All turnover relates to the Company's principal activity.

## 3 Loss on ordinary activities before taxation

| | **2016** | 2015 |
|---|---|---|
| | **£000** | £000 |
| **Loss on ordinary activities before taxation is stated after charging/(crediting):** | | |
| Depreciation and other amounts written off tangible fixed assets: | | |
| Owned tangible fixed assets | **10,222** | 9,799 |
| Impairment of assets | **8,915** | - |
| Impairment of intangibles | **18,375** | - |
| Exceptional items | **1,385** | 1,358 |
| -Operating lease charges : | **4,308** | 3,877 |
| - Plant and machinery | **93** | 92 |
| - Others | **4,215** | 3,785 |
| Audit fees | **124** | 138 |
| Foreign exchange gain | **620** | (348) |
| Tax compliance fees payable to the company's auditors | **13** | 5 |

In 2016 exceptional costs comprise of reorganisation costs and merger costs of Maas International UK and also includes group reorganisation costs.

In 2015 exceptional costs comprise of redundancy costs, related professional fees and the rebranding costs due to change of name to Pelican Rouge Coffee Solutions Limited. The write off of investments relates to Freshco International and Sussex County Vending Limited.

# Pelican Rouge Coffee Solutions Limited

## Notes to the financial statements for the period from 30 March 2015 to 31 March 2016 (continued)

### 4 Remuneration of directors

| | 2016 | 2015 |
|---|---|---|
| | £000 | £000 |
| Directors' emoluments | 228 | 144 |
| Company contributions to defined contribution pension schemes | 20 | 20 |
| | 248 | 164 |

The emoluments of the highest paid director were £227,666 (2015: £143,912) excluding pension contributions of £20,250 (2015: £20,088). No (2015: none) directors had retirement benefits accruing under defined benefit schemes during the period.

The emoluments of 1 director (2015:1) are paid by the intermediate parent company Pelican Rouge BV which makes no recharge to the group or company. This individual is a director of the intermediate parent company and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the above details include no emoluments in respect of this director. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of Pelican Rouge BV.

### 5 Staff numbers and costs

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

| | Number of employees | |
|---|---|---|
| | 2016 | 2015 |
| Sales | 92 | 125 |
| Operations | 973 | 881 |
| Administration | 220 | 220 |
| | 1,285 | 1,226 |

# Pelican Rouge Coffee Solutions Limited

## Notes to the financial statements for the period from 30 March 2015 to 31 March 2016 (continued)

The aggregate payroll costs (including directors) of these persons were as follows:

| | **2016** | 2015 |
|---|---|---|
| | **£000** | £000 |
| Wages and salaries (including exceptional costs of £526,000(2015: £46,000) | **28,905** | 27,253 |
| Social security costs(including exceptional costs of £104,000 (2015:£6,000) | **2,721** | 2,490 |
| Other pension costs (including exceptional costs of £47,000(2015: £1,000) | **667** | 555 |
| | **32,293** | 30,298 |

## 6 Finance income

| | **2016** | 2015 |
|---|---|---|
| | **£000** | £000 |
| Other income receivable from group undertakings | **-** | 257 |
| | **-** | 257 |

Other income receivable in 2015 was from group undertakings relating to a dividend received through the restructuring of the Pelican Rouge Group.

## 7 Finance costs

| | **2016** | 2015 |
|---|---|---|
| | **£000** | £000 |
| Interest payable to group undertakings | **650** | 694 |
| Other interest payable and similar charges | **485** | 463 |
| | **1,135** | 1,157 |

# Pelican Rouge Coffee Solutions Limited

## Notes to the financial statements for the period from 30 March 2015 to 31 March 2016 (continued)

### 8 Tax on loss on ordinary activities

There has been no tax charge for year 30 March 2015 and 31 March 2016
The tax assessed for the year ended 31 March 2016 differs from the standard rate of corporation tax in the UK of 20% (2015: 21%). The differences are explained below:

| | **2016** | 2015 |
|---|---|---|
| | **£000** | £000 |
| Loss on ordinary activities before tax | **(31,206)** | 440 |
| Loss on ordinary activities before tax multiplied by the standard rate in the UK of 20% (2015: 21%) | **(6,241)** | 92 |
| Effects of: | | |
| Fixed asset | **189** | **(25)** |
| Other timing differences | **411** | 276 |
| Expenses not deductible for tax purposes | **3,459** | 356 |
| Adjustments in respect of prior periods | **-** | - |
| Losses carried forward /(Losses utilised) | **2,182** | (699) |
| **Total tax charge for the period** | **-** | - |

**Factors affecting current and future tax charges**

The Finance Act 2015, which was substantively enacted on 18 November 2015, included legislation which reduced the main UK corporation tax rate from 20% to 19%, effective from 1 April 2017 and to 18% effective from 1 April 2020. The deferred tax balances have been measured in accordance with these rates.

A further reduction in the main UK Corporation tax rate down to 17% effective from 2017 was announced in the March 2016 Budget. Deferred tax balances have not been impacted by this latest rate change as it had not been substantively enacted by the balance sheet date.

# Pelican Rouge Coffee Solutions Limited

## Notes to the financial statements for the period from 30 March 2015 to 31 March 2016 (continued)

### 9 Intangible assets

| | Goodwill |
|---|---|
| | £000 |
| **Cost** | |
| At 29 March 2015 | 29,846 |
| **At 31 March 2016** | 29,846 |
| **Accumulated amortisation** | |
| At 29 March 2015 | (11,471) |
| Impairment | (18,375) |
| **At 31 March 2016** | (29,846) |
| **Net book amount** | |
| **At 31 March 2016** | - |
| At 30 March 2015 Restated | 18,375 |

**Impairment tests for goodwill**
Goodwill acquired through business combinations is allocated to and monitored at the level of the Cash Generating Units (CGU's). The Group performed its impairment tests as at 31 March 2016 in accordance with the accounting policy stated in the group accounts notes. The carrying values of the cash generating units have been compared to their recoverable amount. It has been concluded that the Goodwill in UK be fully impaired. The impairment charge in the Company arose due to the continuing structural decline of the operated vending market.

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates of -1.9%. These growth rates are consistent with forecast included in industry reports.

# Pelican Rouge Coffee Solutions Limited

## Notes to the financial statements for the period from 30 March 2015 to 31 March 2016 (continued)

### 10 Property, plant and equipment

| | Leasehold improvements £000 | Plant, machinery and motor vehicles £000 | Fixtures, fittings and equipment £000 | Total £000 |
|---|---|---|---|---|
| **Cost** | | | | |
| At 29 March 2015 | 982 | 59,300 | 6,993 | 67,275 |
| Additions | 28 | 7,160 | 246 | 7,434 |
| Disposals | (163) | (1,528) | (121) | (1,812) |
| At 31 March 2016 | 847 | 64,932 | 7,118 | 72,897 |
| **Accumulated depreciation** | | | | |
| At 29 March 2015 | 375 | 27,767 | 5,537 | 33,679 |
| Charge for period | 118 | 9,587 | 517 | 10,222 |
| Disposals | (105) | (1,254) | (107) | (1,466) |
| Impairment of assets | 134 | 8,429 | 352 | 8,915 |
| At 31 March 2016 | 522 | 44,529 | 6,299 | 51,350 |
| **Net book amount** | | | | |
| **At 31 March 2016** | **325** | **20,403** | **819** | **21,547** |
| At 29 March 2015 | 607 | 31,533 | 1,456 | 33,596 |

The net book value of tangible fixed assets held under finance leases is £689,000 (2015:£Nil). Depreciation for the year on these assets was £48,000 (2015:£ Nil).

The impairment test also covered the other assets. For the UK Vending business the impairment of assets test indicates that the recoverable amount was below the carrying amount of this UK CGU while no goodwill exist anymore. The decline in recoverable amount in both CGU's is mainly driven by the loss of significant contracts resulting in a decrease in top line revenue.

# Pelican Rouge Coffee Solutions Limited

## Notes to the financial statements for the period from 30 March 2015 to 31 March 2016 (continued)

### 11 Inventories

| | 2016 £000 | 2015 £000 |
|---|---|---|
| Raw materials and consumables | **2,440** | 2,015 |
| Finished goods and goods for resale | **6,340** | 6,844 |
| | **8,780** | 8,859 |

Inventories are stated after impairment of nil (2015: nil)

### 12 Trade and other receivables

| | 2016 £000 | 2015 £000 |
|---|---|---|
| **Amounts falling due within one year** | | |
| Trade receivables subject to non–recourse financing | **11,419** | 10,154 |
| Less: non-returnable amounts received | **(7,259)** | (5,894) |
| | **4,160** | 4,260 |
| Trade receivables not subject to non-recourse financing | **6,209** | 10,863 |
| **Net trade receivables** | **10,369** | 15,123 |
| Amounts owed by group undertakings | **38** | 207 |
| Prepayments and accrued income | **2,163** | 2,387 |
| | **12,570** | 17,717 |
| **Amount falling due after one year** | | |
| Amount owed by group undertakings | **25,814** | 30,276 |
| Prepayments and accrued income | **216** | 257 |
| **Total trade and other receivables** | **38,600** | 48,250 |

Trade receivables subject to non-recourse financing represent customer balances factored with banks. The cash received by the company is not returnable and carries interest at variable rates. The Company will not make good any losses and the relevant banks have confirmed their acceptance of this position in writing.

Trade receivables are stated after provision for impairment of £1,179,000 (2015:£623,000).

Amounts owed by undertakings under common control are unsecured, interest free and generally have no fixed date of repayment.

# Pelican Rouge Coffee Solutions Limited

## Notes to the financial statements for the period from 30 March 2015 to 31 March 2016 (continued)

### 13 Creditors

| | 2016 £000 | 2015 £000 |
|---|---|---|
| **Amounts falling due within one year** | | |
| Trade payables | **17,859** | 18,280 |
| Obligations under finance leases and hire purchase contracts | **136** | - |
| Amounts owed to group undertakings | **9,894** | 9,584 |
| Taxation and social security | **712** | 730 |
| Accruals and deferred income | **6,127** | 8,087 |
| | **34,728** | 36,681 |
| **Amounts falling due after more than one year** | | |
| Amounts owed to Group undertakings | **25,779** | 32,179 |
| Obligations under finance leases and hire purchase contracts | **461** | - |
| | **26,240** | 32,179 |

Amounts owed to group undertakings are unsecured and have no fixed date of repayment. The interest rate applied during 2016 was fixed at 8% (2015: weighted average 8%). In respect of amounts due after more than one year, confirmations have been obtained from these undertakings that payment will not be required within 12 months of the date of approval of the financial statements.

### 14 Provisions for liabilities

| | 2016 £000 |
|---|---|
| At 30 March 2015 | (1,442) |
| Utilised during the period | 743 |
| Provided during the period | (312) |
| **At 31 March 2016** | **(1,011)** |

The provisions relate to the future rent expense of vacant leasehold properties which are not currently used for ongoing operations and dilapidation provisions representing the liability to restore certain leasehold properties to their original condition at the termination of the relevant leases, together with provisions relating to future losses from various onerous operating contracts.

# Pelican Rouge Coffee Solutions Limited

## Notes to the financial statements for the period from 30 March 2015 to 31 March 2016 (continued)

### 15 Called up share capital

| | 2016 £000 | 2015 £000 |
|---|---|---|
| **Issued, allotted and fully paid** | | |
| At 29 March 2015/1 April 2014: 356,050 ordinary shares of £0.01 each | **4** | 4 |
| At 31 March 2016/29 March 2015: 356,050 ordinary shares of £0.01 each | | |

### 16 Reserves

| | Capital Contribution reserve £000 | Profit and loss account £000 | Total £000 |
|---|---|---|---|
| At 29 March 2015 (Restated) | 36,469 | 10,712 | 47,185 |
| Loss for the financial period | - | (31,206) | (31,206) |
| **At 31 March 2016** | **36,469** | **(20,494)** | **15,979** |

### 17 Deferred tax

The elements of deferred taxation are as follows:

| | Unrecognised | | Recognised | |
|---|---|---|---|---|
| | **31 March 2016 £000** | 29 March 2015 £000 | **31 March 2016 £000** | 29 March 2015 £000 |
| Difference between accumulated depreciation and capital allowances | **397** | 2,057 | - | - |
| Other temporary differences | **142** | 292 | - | - |
| Tax losses carried forward | **3,413** | 1,977 | - | - |
| Impact of change in tax rate | | | - | - |
| **Deferred tax asset** | **3,952** | 4,326 | - | - |

Deferred tax assets have not been recognised as the Directors do not believe there is sufficient evidence that these will be recovered through the generation of taxable profit in the near future.

# Pelican Rouge Coffee Solutions Limited

## Notes to the financial statements for the period from 30 March 2015 to 31 March 2016 (continued)

### 18 Finance Lease

Obligations under finance leases are as follows:

| **Amounts payable under finance lease** | 2016 | 2015 |
|---|---|---|
| | £000 | £000 |
| Not later than one year | **176** | - |
| Later than one year and not later than five years | **468** | - |
| Later than five years | **57** | - |
| Total gross payments | **701** | - |
| Less future finance charges | **104** | |
| Carrying value of liability | **597** | |

It is the Company's policy to lease certain of its equipment under finance leases. The lease term is either 3 years or 6 years. For the year ended 31 March 2016, the average effective borrowing rate was 6.5 per cent . Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair value of the company's lease obligations is approximately equal to their carrying amount.
The Company's obligations under finance leases are secured by the lessors' rights over the leased assets.

### 19 Capital Commitments

| | **2016**<br>**£000** | 2015<br>£000 |
|---|---|---|
| **Contracted for but not provided for** | | |
| Purchase of plant and equipment | **363** | 488 |

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases are as follows:

| | **2016**<br>**Land and buildings**<br>**£000** | **2016**<br>**Other**<br>**£000** | 2015<br>Land and buildings<br>£000 | 2015<br>Other<br>£000 |
|---|---|---|---|---|
| Operating leases payments: | | | | |
| Within one year | **1,021** | **2,951** | 1,066 | 3,458 |
| Within two to five years | **3,010** | **4,025** | 3,625 | 4,823 |
| More than five years | **564** | **-** | 970 | 49 |
| | **4,595** | **6,976** | 5,661 | 8,330 |

# Notes to the financial statements for the period from 30 March 2015 to 31 March 2016 (continued)

## 20 Pension schemes

The Group operates a defined benefit pension scheme in the United Kingdom, which is identified as the Pelican Rouge Retirement Benefits Plan (the "Plan"). This was formerly known as the Autobar Group Retirement Benefits Plan. The Group accounted for this plan as a defined benefit plan because it is exposed to risks.

With effect from October 2004 the Plan was closed to new members and to future accrual on 31 March 2015. This resulted in a curtailment in the year ended 29 March 2015. The results of this valuation have been updated by an independent qualified actuary for the year ended 31 March 2016 for IFRS purposes.

A number of subsidiaries in the United Kingdom are participating employers in the Plan. Individual companies are unable to identify their share of the underlying assets and liabilities as each employer is exposed to the actuarial risks associated with current and former employees of other entities that have participated in the Plan over its lifetime

As at 31 March 2016, the surplus of assets over liabilities in the Plan amounts to £40,516,000 (29 March 2015: £3,389,000.

In addition to the IFRS requirements, the Group is required to satisfy local regulations in the United Kingdom. The calculation of the assets and liabilities according to local regulations is different than under IFRS. The most recent calculation according to local regulation was carried out with a reference date of 30 June 2015. As a result of the calculation the Group agreed with the Trustee of the Plan that annual deficit funding payments of GBP 1,900,000 have to be made until 20 June 2020. The funding is recognized at the moment of payment.

If the Plan's assets are insufficient to cover the benefits promised to members the UK Company might need to increase its contributions. The assets of the Plan are held in a trust and are separate from those of the UK Company.

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company. These plans are accounted for as defined contribution plans because the Group has no other obligation than to pay the annual contribution which is a fixed percentage of the pensionable base and which is for the cost of benefit accrual in the current year. The Group has no legal or constructive obligation for these plans to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods nor is the Group entitled to refunds if the fund has a surplus. Membership to the schemes is open to new employees. The total pension cost for this scheme were £619,763 (2014: £555,000). At the balance sheet date, an amount of £79,976 (2014:£82,000) was outstanding for payment.

*Event of Wind-Up*

In the event that the UK Plan is wound up, then the Group will be responsible for 100% of any deficit in funding level, calculated on a wind-up valuation basis at the time the scheme is wound up. It has been further agreed that if the scheme is in surplus when it is finally closed, then any remaining funds will be allocated 100% to the Pelican Rouge BV Group.

# Pelican Rouge Coffee Solutions Limited

## Notes to the financial statements for the period from 30 March 2015 to 31 March 2016 (continued)

### 21 Related Parties

Normal trading transactions occur between the company and companies within the Pelican Rouge BV Group. The consolidated financial statements of Pelican Rouge BV Group are publicly available and accordingly, as a result of the exemption allowed by FRS 101 "Related Party Disclosures", no disclosure of these transactions is made in the company's financial statements

### 22 Ultimate controlling party

On 9 October 2014, ownership of the Group was transferred from funds managed by CVC European Equity V Limited to Staunton Luxco S.C.A (a company controlled by a number of financial investors) the company's ultimate parent undertaking and controlling party. No one party has outright control of the company, ownership is shared between a number of investors. Pelican Rouge BV is its intermediate parent company and parent of the largest and smallest Group for which consolidated financial statements are drawn up for the financial year ended 31 March 2016 and of which the Company is a member. Pelican Rouge BV is a company incorporated in The Netherlands, (Company Number: 50483285).

The financial statements can be obtained from:

Kamer van Koophandel en Fabrieken voor Rotterdam
Blaak 40
3011 TA ROTTERDAM
The Netherlands

# Pelican Rouge Coffee Solutions Limited

## Notes to the financial statements for the period from 30 March 2015 to 31 March 2016 (continued)

### 23 Explanation of transition to FRS 101

This is the first year that the Company has presented its financial statements under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under a previous GAAP (UK GAAP) were for the year ended 31 March 2015 and the date of transition to FRS 101 was therefore 1 April 2014.

**Reconciliation of income statement for the 52 weeks ended 29 March 2015**

| | As previously stated | Effect of transition | FRS 101 (as restated) |
|---|---|---|---|
| | £'000 | £'000 | £'000 |
| **Revenue** | 125,273 | - | 125,273 |
| Cost of sales | | | |
| Excluding exceptional items | (73,203) | - | (73,203) |
| Exceptional items | - | - | - |
| **Cost of sales including exceptional items** | **(73,203)** | - | -(73,203) |
| Gross profit before exceptional items | 52,070 | - | 52,070 |
| Exceptional items | - | - | - |
| **GROSS PROFIT** | **52,070** | - | 52,070 |
| Administrative expenses | | | |
| Excluding exceptional items | (51,203) | 1,831 | (49,372) |
| Exceptional items | (1,358) | - | (1,358) |
| **Administrative expenses including exceptional items** | **(52,561)** | 1,831 | (50,730) |
| Profit on ordinary activities before finance charges and before exceptional items | 867 | 1,831 | 2,698 |
| Exceptional items | (1,358) | - | (1,358) |
| **Loss/Profit on ordinary activities before finance charges** | **(491)** | 1,831 | 1,340 |
| Finance income | 257 | - | 257 |
| Finance costs | (1,157) | - | (1,157) |
| **LOSS/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION** | **(1,391)** | 1,831 | 440 |
| Income tax expense on ordinary activities | - | - | - |
| **LOSS FOR THE FINANCIAL YEAR** | **(1,391)** | 1,831 | 440 |

There was one principle difference which required restatement of previously reported balances. Amortisation of goodwill ceased as at 1 April 2014, amortisation charged during the year has been reversed.

# Pelican Rouge Coffee Solutions Limited

## Notes to the financial statements for the period from 30 March 2015 to 31 March 2016 (continued)

## 23 Explanation of transition to FRS 101 (continued)

**Reconciliation of equity as at 1 April 2014**

| | Note | UK GAAP £'000 | Remeasurements £'000 | FRS 101 £'000 |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Intangible assets | | 19,548 | | 19,548 |
| Property, plant and equipment | | 33,720 | | 33,720 |
| Investments | | 202 | | 202 |
| | | 53,470 | | 53,470 |
| **Current assets** | | | | |
| Inventory | | 9,908 | | 9,908 |
| Trade and other receivables | | 46,808 | | 46,808 |
| Cash and cash equivalents | | 8,850 | | 8,850 |
| | | 65,566 | | 65,566 |
| **Total assets** | | 119,036 | | 119,036 |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Creditors: amounts falling due after more than one year | | 34,133 | - | 34,133 |
| Provisions for liabilities | | 1,925 | | 1,925 |
| | | 36,058 | - | 36,058 |
| **Current liabilities** | | | | |
| Creditors: amounts falling due within one year | | 36,233 | | 36,233 |
| **Total liabilities** | | 72,291 | | 72,291 |
| **Net Assets** | | 46,745 | | 46,745 |
| **Equity** | | | | |
| Called up share capital | | 4 | - | 4 |
| Capital contribution reserve | | 36,469 | - | 36,469 |
| Profit and loss account | | 10,272 | | 10,272 |
| **Total Equity** | | 46,745 | | 46,745 |

# Pelican Rouge Coffee Solutions Limited

## Notes to the financial statements for the period from 30 March 2015 to 31 March 2016 (continued)

### 25 Explanation of transition to FRS 101 (continued)

**Reconciliation of equity as at 29 March 2015**

| | Note | UK GAAP £'000 | Remeasurements £'000 | FRS 101 £'000 |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Intangible assets | | 16,544 | 1,831 | 18,375 |
| Property, plant and equipment | | 33,596 | - | 33,596 |
| Investments | | - | - | - |
| | | 50,140 | | 51,971 |
| **Current assets** | | | | |
| Inventory | | 8,859 | - | 8,859 |
| Trade and other receivables | | 48,250 | - | 48,250 |
| Cash and cash equivalents | | 8,407 | - | 8,407 |
| | | 65,516 | - | 65,516 |
| **Total assets** | | 115,656 | - | 117,487 |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Creditors: amounts falling due after more than one year | | 32,179 | - | 32,179 |
| Provisions for liabilities | | 1,442 | - | 1,442 |
| | | 33,621 | - | 33,621 |
| **Current liabilities** | | | | |
| Creditors: amounts falling due within one year | | 36,681 | - | 36,681 |
| **Total liabilities** | | 70,302 | - | 70,302 |
| **Net Assets** | | 45,354 | - | 47,185 |
| **Equity** | | | | |
| Called up share capital | | 4 | - | 4 |
| Capital contribution reserve | | 36,469 | - | 36,469 |
| Profit and loss account | | 8,881 | 1,831 | 10,712 |
| **Total Equity** | | 45,354 | - | 47,185 |

There was one principle difference which required restatement of previously reported balances under UK GAAP to FRS 101. Intangible amortisation for the year was reversed as at 1 April 2014.