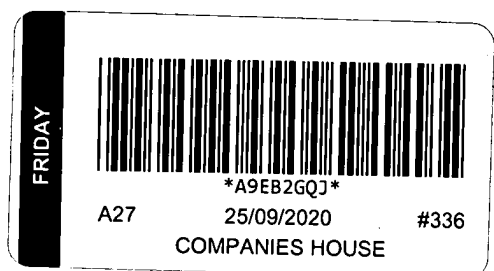


Company Registration No. 03291346

LDH (La Doria) LIMITED

Annual Report and Financial Statements

31 December 2019



LDH (La Doria) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019

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LDH (La Doria) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Antonio Ferraioli (Chairman)
Andrea Ferraioli
Sergio Persico
David Fine* (Deputy Chairman)
Barry Fine* (Chief Executive Officer)
Giuseppe Di Martino
Alberto Festa
David Sankowicz
Paul Reenan
*Executive directors

REGISTERED OFFICE

LDH House
Parsons Green
St. Ives
Cambridgeshire
PE27 4AA

LEGAL ADVISER

Taylor Wessing LLP
5 New Street Square
London
EC4A 3TW

AUDITOR

Deloitte LLP
Statutory Auditor
One, Station Square,
Cambridge
CB1 2GA

LDH (La Doria) LIMITED

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2019.

Principal activities

The principal activity of the Company is the importation and distribution of processed foods and confectionery.

Review of business and future development

Sales for the year were £351,281,000 (2018: £327,665,000), an increase of 7.2% (2018: 4.7% increase) on the previous year.

The Company made a profit of £8,837,000 (2018: £12,270,000) before tax, a decrease of 28.0% (2018: 27.4% increase) on the previous year. The Company's net assets are in line with the previous year, totalling £64,956,000 (2018: £64,994,000).

There was continued sales growth in both volume and value with each of our major customers, and our Own Label product range was extended through the growth in the market of ambient Own Label sales as well as by new product development.

This growth, whilst mitigating some of the margin pressures in a very competitive market, could not fully offset the loss in profit which was significantly affected by the currency swings caused by the uncertainty around Brexit.

The Brexit deadlines created supply chain stresses and led to significant stock building, which caused considerable additional costs as our customers sought to protect themselves against both the potential issues at UK ports and the potential inflation caused by published duties and tariffs.

The automated warehouse project remains on target to be completed and fully operational by the end of the third quarter 2020. This new logistics platform will allow us to continue our long term commitment to serve our customers in the most efficient way.

Principal risks and uncertainties

Towards the end of February, orders from our customers started increasing and in early March they spiked to unprecedented levels. Demand quickly outstripped supply resulting in bare shelves and stores stripped clear of most ambient grocery products.

By the end of March the robustness of the LDH business model ensured that we were able to deliver record volumes of core grocery products to all our retail customers and this continued through April and May.

Given that there is currently no vaccination for COVID-19 the uncertainty and impact of the Pandemic will be with us for the remainder of 2020 and potentially beyond, which will ensure continued supply chain pressures, but also opportunities for Own Label retail ambient groceries.

The Government has published the UK Global Tariff Rates and as a result, in the event of a hard Brexit, there will be a dramatic increase in the cost of basic ambient food products which will severely impact UK consumers. We anticipate this will put added margin pressure on both LDH and our suppliers.

The impact of the looming recession and potential high unemployment will limit consumers spend, but will also encourage consumers to look for value which should place core grocery in a good position.

The grocery retail sector remains extremely competitive with our retail customers determined to remain relevant in a marketplace where price and value will become ever more prevalent as the overriding factor that determines where consumers shop.

LDH (La Doria) LIMITED

STRATEGIC REPORT (continued)

Section 172 statement

This statement describes how the Directors have taken account of the matters set out in section 172(1) (a) to (f) of the Companies Act 2006, when performing their duty to promote the success of the company as listed below.

The matters set out in section 172(1) (a) to (f) are:

- (a) the likely consequences of any decision in the long-term;
- (b) the interests of the company's employees;
- (c) the need to foster the company's business relationships with customers, suppliers and others;
- (d) the impact of the company's operations on the community and the environment;
- (e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly between members of the company.

The Directors are fully aware of their duty under s172(1) of the Companies Act 2006 to promote the success of the Company for the benefit of members as a whole. The Directors have adopted a business strategy which looks to secure long-term relationships with customers and suppliers to build positive long-term prospects.

The Directors look to promote involvement and engagement with its employees. Through the organisational structure, senior management are able to access and evaluate employee engagement and interact with all levels of staff and consider the impact of their decisions on the workforce.

The Directors promote an operating model which embeds the relationships with long standing suppliers and customers to provide collaboration and continuity throughout the supply chain of processed foods.

The Directors look to support causes that are important in the community and those which have an impact on the environment.

The Directors look to ensure high standards of business conduct through building and protecting the long standing relationships with both customers and suppliers.

The Directors' stakeholder engagement activities help to make informed decisions and are aware of stakeholders' interests. The Directors take a long-term view in reaching key decisions, and, when taking decisions, the Directors look to act in the interests of stakeholders as a whole and to ensure all stakeholders are fairly treated.

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of credit, currency and liquidity risks.

Credit risk

The Company has implemented policies that require appropriate credit checks and limits on potential customers before sales are made.

Currency risk

The Company purchases inventory from suppliers across the globe and in many cases pays in foreign currencies, mainly Euro and US Dollars. The Company has a policy of hedging all purchases of inventory in foreign currencies at the inception of the purchase contract, to mitigate against any change in foreign exchange rates.

LDH (La Doria) LIMITED

STRATEGIC REPORT (continued)

Financial risk management (continued)

Liquidity risk

To reduce the risk that the Company will be unable to meet its liabilities as they fall due, weekly cash flow forecasting is performed and feed-forward controls are implemented when necessary. The Company has liabilities denominated in several currencies and foreign exchange swaps are entered into when needed to maintain liquidity across all currencies held. Revolving credit facilities have been arranged with the Company's banks, allowing immediate access to additional cash if needed.

Interest rate risk

The Company has an interest rate risk as bank borrowings are on a variable market rate. During the prolonged period of historically low interest rates with low expectations of this changing, this risk is not actively managed at present but is monitored to ensure that the cost of financing remains affordable and alternative funding options are considered to manage the risk.

Key performance indicators (KPI's)

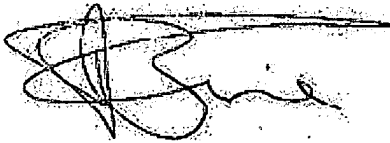
The Company's KPI's revolve around tight control of inventories, debtors and creditors as well as sales margin. These are set out below.

	2019	2018
Receivables collection period (days)	49.9	53.6
Payables payment period (days)	60.1	59.4
Inventory turnover (times)	6.1	6.0

All of the above KPI's are in line with the prior year and management expectations. Operating profit for 2019 was £8,945,000 a decrease of £3,120,000 on 2018 which was £12,065,000.

Gross margin for 2019 was 9.2%, a decrease of 0.7% on 2018 which was 9.9%.

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



Barry Fine
Chief Executive
Date: 11th September 2020

LDH House
Parsons Green
St Ives
Cambridgeshire
PE27 4AA
Registered number: 03291346

LDH (La Doria) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2019.

Business review

The Strategic Report includes a review of the business and future developments and forms part of this report by cross reference.

Proposed dividend

The directors have proposed a final ordinary dividend in respect of the current financial year of £4,026,000 (£4.026 per share). This has not been included within creditors as it was not approved before the year end but was subsequently approved. (See notes 12 and 25). Dividends paid during the year comprise a final dividend of £4,532,000 (£4.532 per share) in respect of the previous year ended 31 December 2018.

Directors

The directors that held office during the year and up to the date of signing the financial statements unless otherwise stated were as follows:

Antonio Ferraioli	(Chairman)
Andrea Ferraioli	
Sergio Persico	
David Fine*	(Deputy Chairman)
Barry Fine*	(Chief Executive Officer)
Rosa Ferraioli	(Resigned 28 February 2019)
Giuseppe Di Martino	
Alberto Festa	
David Sankowicz	
Paul Reenan	

*Executive directors

Financial risk management

A statement of the Company's approach to financial risk management is included in the Strategic Report and forms part of this report by cross reference.

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an 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 financial year and is currently in force. The Company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

Disclosure of information to auditor

In accordance with Section 418 of the Companies Act, in the case of each of the persons who are directors at the time the report is approved, the following applies:

- a) so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- b) 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 auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

LDH (La Doria) LIMITED

DIRECTORS' REPORT (continued)

Directors' responsibilities statement

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

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

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 have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Going concern

During early 2020, the world started to react to the emergence and spread of a new respiratory virus known as COVID-19. Governments across the world put restrictions on public life in order to try to reduce the spread of the virus and maintain public health and safety.

The Company promptly put in to place measures to try to support and ensure the safety of employees, suppliers and customers and adhere to Government guidance, whilst continuing to import and distribute processed foods.

Being part of the food supply chain, the Company's activities fall within the range of the key industries to support the public through the unprecedented times and continued to trade.

The impact of the restrictions saw significant additional demand for our products which has resulted in record volumes and sales to our customers during this period. The Company has been able to deliver this with the admirable support of our suppliers and business partners. Operations and capabilities have been reviewed by management through considering sensitivities and modelling various possible scenarios as a result of the impact of COVID-19. Key assumptions applied were in relation to the sales volume and post year end increase in demand experienced and no concerns have been identified. The company has access to two overdraft facilities, with a substantial headroom as at 31 July 2020.

The Company's business model and collaborative approach with all parties has enabled the business to respond and expand as required. The Company has access to additional funding with existing providers for the foreseeable future, has the continued support of the parent company and have not yet required any further Government support or scheme to continue as a going concern.

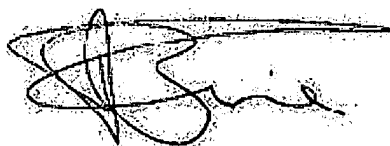
Therefore the directors continue to assess the company as a going concern.

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

Barry Fine

Chief Executive

Date: 11th September 2020



LDH House
Parsons Green
St Ives
Cambridgeshire
PR27 4AA

Registered number: 03291346

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LDH (La Doria) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of LDH (La Doria) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice) and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity and
- the related notes 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LDH (La Doria) LIMITED (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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.

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. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LDH (La Doria) LIMITED (continued)**

Matters on which we are required to report by exception

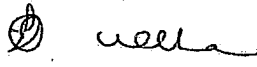
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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



Lee Welham, FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Cambridge, United Kingdom

Date: 11 September 2020

LDH (La Doria) LIMITED

INCOME STATEMENT Year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Turnover	5	351,281	327,665
Cost of sales		(318,866)	(295,347)
Gross profit		32,415	32,318
Distribution costs		(14,546)	(12,878)
Administrative expenses		(8,924)	(7,375)
Operating profit	6	8,945	12,065
Other operating income		112	114
Interest receivable and similar income	9	75	148
Interest payable and similar expenses	9	(295)	(57)
Profit before taxation		8,837	12,270
Tax on profit	10	(1,750)	(2,379)
Profit for the financial year attributable to the equity shareholders of the Company		7,087	9,891

Turnover and operating profit are all derived from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME Year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Profit for the financial year		7,087	9,891
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges (losses) / gains arising during year	20	(3,203)	718
Income tax relating to components of other comprehensive income		610	(136)
Other comprehensive (expense) / income for the year net of tax		(2,593)	582
Total comprehensive income for the year attributable to the owners of the Company		4,494	10,473

LDH (La Doria) LIMITED

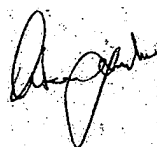
BALANCE SHEET As at 31 December 2019

	Note	2019 £'000	2018 £'000
Fixed assets			
Tangible assets	12	43,489	13,600
Right of use assets	13	227	-
Investments	14	-	-
Receivables due after one year	16	-	167
		<u>43,716</u>	<u>13,767</u>
Current assets			
Inventory	15	55,591	48,608
Debtors	16	50,242	52,681
Cash at bank and in hand		493	10,941
		<u>106,326</u>	<u>112,230</u>
Creditors: amounts falling due within one year	17	<u>(83,815)</u>	<u>(60,598)</u>
Net current assets		<u>22,511</u>	<u>51,632</u>
Total assets less current liabilities		<u>66,227</u>	<u>65,399</u>
Creditors: amounts falling due after more than one year	17	(490)	(137)
Provisions for liabilities	18	<u>(781)</u>	<u>(268)</u>
Net assets		<u>64,956</u>	<u>64,994</u>
Capital and reserves			
Called up share capital	21	1,000	1,000
Cash flow hedge reserve		(1,647)	946
Retained earnings		65,603	63,048
Shareholders' funds		<u>64,956</u>	<u>64,994</u>

The notes on pages 13 to 30 are an integral part of these financial statements.

The financial statements of LDH (La Doria) Limited, registered number 03291346, were approved by the Board of Directors and authorised for issue on 11th September 2020.

Signed on behalf of the Board of Directors



Antonio Ferraioli
Chairman



Barry Fine
Chief Executive

LDH (La Doria) LIMITED

STATEMENT OF CHANGES IN EQUITY Year ended 31 December 2019

	Called up share capital £'000	Cash flow hedge reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2018	1,000	364	57,450	58,814
Comprehensive income for the year:				
Profit for the financial year	-	-	9,891	9,891
Other comprehensive income for the year	-	582	-	582
Total comprehensive income for the year	-	582	9,891	10,473
Dividends (note 11)	-	-	(4,293)	(4,293)
At 31 December 2018	1,000	946	63,048	64,994
Comprehensive income for the year:				
Profit for the financial year	-	-	7,087	7,087
Other comprehensive expense for the year	-	(2,593)	-	(2,593)
Total comprehensive income for the year	-	(2,593)	7,087	4,494
Dividends (note 11)	-	-	(4,532)	(4,532)
At 31 December 2019	1,000	(1,647)	65,603	64,956

LDH (La Doria) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

1. GENERAL INFORMATION

LDH (La Doria) Limited is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of its registered office is shown on page 1.

2. 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 years presented, unless otherwise stated.

Basis of preparation

The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2 to 4. These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates.

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard, which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 24 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained. These financial statements are separate financial statements.

The financial statements have been prepared on a going concern basis and under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities at fair value through profit or loss (including derivative financial instruments), as required by International Accounting Standard (IAS) 39 'Financial Instruments' - Recognition and Measurement.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements as it is a 58% subsidiary undertaking of La Doria S.p.A., registered in Italy, which prepares consolidated financial statements. The Company's financial statements and the group's financial statements are drawn up in accordance with the provisions of the Seventh Directive (83/349/EEC). These financial statements present information about the Company as an individual undertaking and not about its group.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

Going concern

The Company has prepared its financial statements on a going concern basis taking into account its annual budget and cash flow forecast and considering the sensitivities around the assumptions made in the forecasts. The Company considers that it has sufficient cash financing to continue its operations for at least 12 months following the signature of the financial statements despite the potential impacts of COVID-19 as set out in the Strategic Report on page 2. For further details see the Directors' Report on pages 5 to 6.

Revenue recognition

Revenue is recognised on delivery of goods to customers and consists solely of goods sold in the year to customers in the United Kingdom and Europe excluding value added tax and after trade discounts and promotional expenses. Revenue is measured based on the consideration to which the company expects to be entitled in a contract with a customer.

LDH (La Doria) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

Company as a lessee

The Company has applied IFRS 16 using the cumulative catch-up approach and therefore comparative information has not been restated and is presented under IAS 17. The details of accounting policies under both IAS 17 and IFRS 16 are presented separately below:

The company leases motor vehicles. Rental contracts are typically made for fixed periods of 3 years but may have extension options. Contracts may contain both lease and non-lease components. The company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. Until the 2018 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases. From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Company as a lessor

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Extension options in vehicles leases have not been included in the lease liability, because the company could replace the assets without significant cost or business disruption.

LDH (La Doria) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Post-retirement benefits

The Company operates a defined contribution pension scheme. The amount charged to the income statement represents the contributions payable to the scheme in respect of the accounting period. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the reporting 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 by the reporting date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is measured on an undiscounted basis.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the reporting date and the gains or losses on translation are included in the income statement.

LDH (La Doria) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment. Cost includes the original purchase price and the costs attributable to bringing the asset into working condition for its intended use. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Buildings	40 years
Plant, machinery and equipment	3 to 8 years
Computer hardware and software	2 to 5 years
Motor vehicles	2 to 3 years

The useful lives of all tangible fixed assets are reassessed periodically. Land and assets under construction are not subject to depreciation.

Inventories

Inventories are stated at the lower of cost and net realisable value, where cost represents the full landed cost into the warehouse. Cost is calculated using the first in, first out method. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs. Where necessary, provision is made for damaged inventory and inventory nearing the end of its shelf life.

Financial instruments

All financial assets are initially measured at fair value with transaction costs directly attributable to the acquisition immediately recognised in profit or loss.

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are measured initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

The Company classifies its financial assets as loans and receivables, except derivatives (see below), which are all measured subsequently at fair value through profit or loss (FVTPL). Management determines the classification of its financial assets at initial recognition.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The Company's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet.

LDH (La Doria) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Trade and other receivables

Debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet bank overdrafts are shown within borrowings in current liabilities.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Derivative financial instruments

The Company enters into derivative financial instruments (Cash flow hedges) to manage its exposure to foreign exchange rate risk, including foreign exchange forward contracts. Further details of derivative financial instruments are disclosed in note 20.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date.

Hedge accounting

The Company designates hedging instruments of foreign exchange risk on firm commitments as cash flow hedges.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is effective in offsetting cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Company adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Company designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

Note 20 sets out details of the fair values of the derivative instruments used for hedging purposes.

LDH (La Doria) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash flow hedge

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Company expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Company discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in cash flow hedge reserve is reclassified immediately to profit or loss.

Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire fixed assets are recognised by deducting the grant in calculating the carrying amount of the asset and is recognised in profit or loss on a systematic and rational basis over the useful lives of the related assets by way of reduced depreciation expenses.

Dividend Distributions

Dividend distributions to the Company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the Company's shareholders.

3. ADOPTION OF NEW AND REVISED STANDARDS

Impact of initial application of IFRS 16 Leases

In the current year, the Company has applied IFRS 16 Leases (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in Note 2. The impact of the adoption of IFRS 16 on the Company's financial statements is described below.

The date of initial application of IFRS 16 for the Company is 1 January 2019.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2019

3. ADOPTION OF NEW AND REVISED STANDARDS (continued)

The Company has applied IFRS 16 using the modified retrospective approach which:

- requires the company to calculate lease assets and lease liabilities as at the beginning of the current period using special rules included in the new standard
- does not restate its prior-period financial information;

(a) Impact of the new definition of a lease

The Company has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those leases entered or changed before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The Company applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or changed on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract). In preparation for the first-time application of IFRS 16, the Company has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Company.

(b) Impact on lessee accounting

IFRS 16 changes how the Company accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet.

Applying IFRS 16, for all leases (except as noted below), the Company:

- (a) Recognises right-of-use assets and lease liabilities in the balance sheet, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with IFRS 16:C8(b)(ii);
- (b) Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss.

Lease incentives (e.g. rent-free periods) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses on a straight-line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

LDH (La Doria) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

3. ADOPTION OF NEW AND REVISED STANDARDS (continued)

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as tablet and personal computers, small items of office furniture and telephones), the Company has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within the administrative expenses line item.

The Company has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying IAS 17.

- The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Company has adjusted the right-of-use asset at the date of initial application by the amount of provision for onerous leases recognised under IAS 37 in the balance sheet immediately before the date of initial application as an alternative to performing an impairment review.
- The Company has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.
- The Company has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Company has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

(ii) Former finance leases

For leases that were classified as finance leases applying IAS 17, the carrying amount of the leased assets and obligations under finance leases measured applying IAS 17 immediately before the date of initial application is reclassified to right-of-use assets and lease liabilities respectively without any adjustments, except in cases where the Company has elected to apply the low-value lease recognition exemption.

The right-of-use asset and the lease liability are accounted for applying IFRS 16 from 1 January 2019.

(c) Impact on lessor accounting

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, IFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

Under IFRS 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17). This change has not resulted in the reclassification of any sub-lease agreements as finance leases.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors have concluded that, due to the nature of the business, there are no critical accounting judgements or key sources of estimation uncertainty that are required to be disclosed here.

LDH (La Doria) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

5. TURNOVER

The Company's turnover is derived from the delivery of goods to customers. Of the Company's total turnover, 95.6% (2018: 96.0%) is attributable to the UK market and 4.4% (2018: 4.0%) to EU markets.

6. OPERATING PROFIT

	2019 £'000	2018 £'000
Operating profit is stated after charging/(crediting):		
Cost of sales	(318,866)	(295,347)
Transportation expenses	(9,079)	(7,951)
Warehousing expenses	(5,467)	(4,927)
Fees payable for the audit of the financial statements	60	51
Depreciation and other amounts written off tangible fixed assets	411	422
Depreciation and other amounts written off right of use assets	95	-
Profit on disposal of fixed assets	(36)	-
	<u> </u>	<u> </u>

7. REMUNERATION OF DIRECTORS

	2019 £'000	2018 £'000
Directors' emoluments	888	854
Company contributions to money purchase pension schemes	-	-
	<u> </u>	<u> </u>
Total	<u>888</u>	<u>854</u>

Two directors (2018: two) are remunerated by the Company. The aggregate of emoluments of the highest paid director was £810,000 (2018: £769,000), including There were no company pension contributions made to a money purchase scheme on his behalf (2018: £nil). There are no retirement benefits under money purchase pension schemes.

LDH (La Doria) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2019****8. STAFF NUMBERS AND COSTS**

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

	2019 No	2018 No
Selling and distribution	8	8
Administration	68	63
Total	76	71

The aggregate payroll costs of these persons were as follows:

	2019 £'000	2018 £'000
Wages and salaries	4,384	4,302
Social security costs	542	551
Other pension costs	151	130
Total	5,077	4,983

9. INTEREST RECEIVABLE/(PAYABLE) AND SIMILAR INCOME/(EXPENSES)

	2019 £'000	2018 £'000
Receivable		
Interest income on short term deposits	75	148
Total	75	148
Payable		
On bank loans and overdrafts	(292)	(57)
Lease liabilities	(3)	-
Total	(295)	(57)

LDH (La Doria) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2019

10. TAX ON PROFIT

	2019 £'000	2018 £'000
Tax included in profit or loss		
Current tax		
UK corporation tax on profits for the year	1,003	2,264
Adjustment in respect of prior periods	123	-
Total current tax	1,126	2,264
Deferred tax (note 18)		
Origination and reversal of temporary differences	583	115
Adjustment in respect of prior periods	41	-
Total deferred tax	624	115
Tax on profit	1,750	2,379
Tax included in other comprehensive income	2019 £'000	2018 £'000
Deferred tax (note 18)		
Origination and reversal of temporary differences	(610)	136
Total deferred tax	(610)	136
Total tax included in other comprehensive income	(610)	136

The UK Government had planned to steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted at the balance sheet date being 19% effective from 1 April 2017 and 17% effective from 1 April 2020 as per section 46 Finance Act 2016. The Company has calculated deferred tax balances at the rate of 17% on the basis that this is the substantially enacted rate at the balance sheet date and the expectation was the rate which those assets and liabilities would unwind. The subsequent impact for the Corporation Tax rate being changed to 19% for 1 April 2020 will be reported on the financial statements for the year ended 31 December 2020.

	2019 £'000	2018 £'000
Tax charge reconciliation		
Profit before taxation	8,837	12,270
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	1,679	2,331
Effects of:		
Expenses not deductible for tax purposes	67	54
Income not taxable in determining taxable profit	-	(120)
Double tax relief	-	(1)
Change in unrecognised deferred tax assets	-	115
Difference in tax rates	(78)	-
Adjustment in respect of prior periods	82	-
Total current tax charge (see above)	1,750	2,379

LDH (La Doria) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

11. DIVIDENDS

	2019 £'000	2018 £'000
Equity – Ordinary		
£4.532 per £1 Ordinary share (2018 £4.293 per £1 Ordinary share)	4,532	4,293

The directors have proposed an ordinary dividend in respect of the current financial year of £4,026,000 (£4.026 per £1 ordinary share). This has not been included within creditors as it was not approved before the year end.

12. TANGIBLE FIXED ASSETS

	Land and buildings £'000	Plant, machinery and equipment £'000	Computer hardware and software £'000	Motor vehicles £'000	Assets in the course of construction £'000	Total £'000
Cost						
At 1 January 2019	7,016	2,028	1,007	383	5,585	16,019
Additions	-	-	1	119	30,187	30,307
Disposals	-	(259)	(123)	(246)	-	(628)
At 31 December 2019	7,016	1,769	885	256	35,772	45,698
Accumulated depreciation						
At 1 January 2019	165	1,120	808	326	-	2,419
Charge for year	34	211	101	65	-	411
Disposals	-	(259)	(123)	(239)	-	(621)
At 31 December 2019	199	1,072	786	152	-	2,209
Carrying value at 31 December 2019	6,817	697	99	104	35,772	43,489
Carrying value at 31 December 2018	6,851	908	199	57	5,585	13,600

100% of land and buildings relate to freehold tenure (2018: 100%).

Land and buildings is shown net of Government Grant for £500,000. The grant was received in July 2018 from the New Anglia Local Enterprise Partnership Growing Business Fund (LEP). The grant was requested to partially support the construction of an automated warehouse, and was awarded on the basis of the growth plans submitted to the LEP office.

The financial commitment in relation to the assets under construction are shown in Note 22.

LDH (La Doria) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

13. RIGHT OF USE ASSETS

The company has lease contracts for motor vehicles. The amounts recognised in the financial statements in relation to the leases are as follows:

	Motor vehicles
	£'000
Cost	
At 1 January 2019 (adoption of IFRS16)	116
Additions	206
	<hr/>
At 31 December 2019	322
	<hr/>
Accumulated depreciation	
At 1 January 2019	-
Charge for year	95
	<hr/>
At 31 December 2019	95
	<hr/>
Carrying value	
at 31 December 2019	227
	<hr/>
Carrying value	
at 31 January 2019	116
	<hr/>
Lease liabilities	
	At 31
	December
	2019
	£'000
Current liabilities	99
Non current liabilities	116
	<hr/>
Total	215
	<hr/>
Interest expense (included in finance cost)	3
	<hr/>

The company initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognised in retained earnings at the date of initial application.

LDH (La Doria) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

14. INVESTMENTS

The Company holds a direct controlling interest in the following subsidiary undertakings:

	Country of incorporation	Principal activity	Class and percentage of shares held
1. Oriental & Pacific Frozen Food Co. Limited (Dormant)	UK	Importer and distributor of processed food	100.0% ordinary share capital
2. Manpineco Limited (Dormant)	UK	Importer and distributor of processed food	100.0% ordinary share capital
3. Cook Italian Limited (Dormant)	UK	Importer and distributor of processed food	100.0% ordinary share capital
4. Canpas Limited (Dormant)	UK	Importer and distributor of processed food	100.0% ordinary share capital

The directors believe that the carrying value of the investments is supported by their underlying assets.

Registered Office: LDH House, Parsons Green, St Ives Cambs PE27 4AA

15. INVENTORIES

	2019 £'000	2018 £'000
Finished goods and goods for resale	55,591	48,608

16. DEBTORS

	2019 £'000	2018 £'000
Trade debtors	46,709	48,009
Amount owed by group undertakings	641	656
Prepayments and accrued income	1,744	2,014
Derivative financial assets (note 20)	-	1,006
Deferred tax asset (note 18)	499	-
Other debtors	649	1,163
Total	50,242	52,848

Prepayments and accrued income include £nil (2018: £167,000) falling due after more than one year. Deferred tax assets include £89,000 (2018: £nil) falling due after more than one year. Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. Trade debtors are stated after provisions for impairment of £8,000 (2018: £8,000).

LDH (La Doria) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2019

17. CREDITORS

	2019 £'000	2018 £'000
Amounts falling due within one year		
Trade creditors	36,287	34,911
Amounts owed to group undertakings	17,947	15,830
Bank overdrafts	20,948	899
Tax and social security	448	660
Corporation tax	128	1,119
Derivative financial liabilities (note 20)	3,219	-
Lease liabilities (note 13)	99	-
Other creditors	495	318
Accruals and deferred income	4,244	6,861
Total amounts falling due within one year	83,815	60,598
Amounts falling due after more than one year		
Lease liabilities (note 13)	116	-
Other creditors	374	-
Accruals and deferred income	-	137
Total amounts falling due after more than one year	490	137

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

18. PROVISION FOR LIABILITIES

The Company's deferred tax assets and (liabilities) totalled £282,000 (2018 - (£268,000)) and related to temporary differences in respect of:

	Cash flow hedges £'000	Other £'000	Tangible fixed assets £'000	Net £'000
At 1 January 2019	(224)	135	(179)	(268)
Recognised in income	-	(22)	(602)	(624)
Recognised in equity	610	-	-	610
At 31 December 2019	386	113	(781)	(282)
Deferred tax asset within 12 months	386	24	-	410
Deferred tax asset over 12 months	-	89	-	89
At 31 December 2019	386	113	-	499
Deferred tax liabilities over 12 months	-	-	(781)	(781)
At 31 December 2019	-	-	(781)	(781)

LDH (La Doria) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

19. PENSION SCHEME

The Company only operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £151,000 (2018: £130,000).

20. DERIVATIVE FINANCIAL INSTRUMENTS

All derivative financial instruments recognised during the year and at the reporting date were forward foreign exchange contracts. All of these contracts were entered into for the purpose of cash flow hedging. For the purposes of the summary of fair values below, the full fair value of a hedging derivative is classified as a current asset or liability if the remaining time to maturity of the instrument is less than 12 months, and as a non-current asset or liability if the remaining time to maturity of the instrument is more than 12 months. The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the exchange rates for GBP:EUR and GBP:USD.

The fair values of derivative financial assets/(liabilities) at the reporting date were as follows:

	Assets		Liabilities	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Forward foreign exchange contracts - cash flow hedges:				
Current portion	195	1,006	(3,411)	-
Non-current portion	-	-	(3)	-
Total	195	1,006	(3,414)	-

Movements in the fair values of derivative financial (liabilities)/assets for the year were as follows:

	£'000
At 1 January 2019	1,006
Recognised in profit or loss account	(1,022)
Recognised in statement of other comprehensive income	(3,203)
At 31 December 2019	(3,219)

LDH (La Doria) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2019

21. CALLED UP SHARE CAPITAL AND RESERVES

	2019 £'000	2018 £'000
Authorised		
'A' 580,000 ordinary shares of £1 each	580	580
'B' 33,000 ordinary shares of £1 each	33	33
'C' 73,000 ordinary shares of £1 each	73	73
'D' 200,000 ordinary shares of £1 each	200	200
'E' 14,000 ordinary shares of £1 each	14	14
'F' 100,000 ordinary shares of £1 each	100	100
	<u>1,000</u>	<u>1,000</u>
Allotted, called-up and fully paid		
'A' 580,000 ordinary shares of £1 each	580	580
'B' 33,000 ordinary shares of £1 each	33	33
'C' 73,000 ordinary shares of £1 each	73	73
'D' 200,000 ordinary shares of £1 each	200	200
'E' 14,000 ordinary shares of £1 each	14	14
'F' 100,000 ordinary shares of £1 each	100	100
	<u>1,000</u>	<u>1,000</u>

All shares rank pari passu.

22. FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

The Company had firm commitments at the end of 2019 to complete the construction of the new automated warehouse. The project is closely monitored by management and has a specified timescale and budget to complete the project. Remaining commitments are valued at approximately £4 million as of 31 December 2019.

Other commitments were as follows:

	2019 £'000	2018 £'000
Forward foreign exchange contracts	<u>103,632</u>	<u>82,134</u>

Contingent liabilities were as follows:

	2019 £'000	2018 £'000
Duty deferment guarantee	<u>3,200</u>	<u>1,000</u>

The duty deferment guarantee is in relation to the requirements to have a duty deferment account with the UK tax authorities to enable to pay duty once a month instead of individual consignments.

23. ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING

The ultimate parent and controlling party is La Doria S.p.A., incorporated in Italy, which is the parent undertaking of the smallest and largest group into which the results of the Company are consolidated. Copies of the consolidated financial statements of La Doria S.p.A. are available from the registered office of La Doria S.p.A. at Via Nazionale 320, 84012 Angri (SA), Italy.

LDH (La Doria) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

24. RELATED PARTY TRANSACTIONS

The following disclosures relate to the year ended 31 December 2019:

The Company purchased goods from Thai Union Trading Europe BV, a shareholder, amounting to £21,543,000 (2018: £23,107,000). The amount outstanding at the year end amounted to £1,396,000 (2018: £6,245,000). The Company made recharges to Thai Union Trading Europe BV amounting to £23,000 (2018: £170,000). The amount outstanding at the year end amounted to £3,000 (2018: £48,000).

The Company purchased goods from Pastificio Di Martino Gaetano & F.LLI S.p.A., a shareholder, amounting to £42,576,000 (2018: £42,934,000). The amount outstanding at year end amounted to £7,043,000 (2018: £6,620,000). The Company made recharges to Pastificio Di Martino Gaetano & F.LLI S.p.A. amounting to £407,000 (2018: £1,580,000). The amount outstanding at the year end was £293,000 (2018: £1,412,000).

25. SUBSEQUENT EVENTS

Proposed dividend for 2019 - See note 11.

The emergence and spread of COVID-19 in 2020 is considered a non adjusting event for the Company. Further details of the impact and actions taken are discussed in the Strategic Report, on pages 2 to 4.