

Registered number: 5486353

KIRIL MISCHEFF (TRADING) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023



KIRIL MISCHEFF (TRADING) LIMITED

COMPANY INFORMATION

Directors	RAR Mischeff MS Auty JI Bowler C Green MKL Jackson IR Marlow DA Mirchev A Smith
Company secretary	A Smith
Registered number	5486353
Registered office	Broadwall House 21 Broadwall London SE1 9PL
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditor York House Northallerton North Yorkshire DL6 2XQ
Bankers	Royal Bank of Scotland plc 250 Bishopgate London EC2M 4AA
Solicitors	Schofield Sweeney LLP Centura Wellington Street Leeds LS1 2AY

KIRIL MISCHEFF (TRADING) LIMITED

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KIRIL MISCHEFF (TRADING) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2023

Principal activities

The company is the parent company of Kiril Mischeff Limited and the holding company of the Kiril Mischeff Group of companies.

The principal activities of the Group continue to be the importing, processing, packaging and distribution of food products, food products broking and trading, shipping and forwarding and the provision of serviced office facilities.

Business model

The Group procures food products and food ingredients from suppliers across the world to provide high quality products to a range of users to both the United Kingdom and overseas. These users cover a wide spectrum of industries including food manufacture, food service and food retail.

We strive to provide the highest level of service to our customers and our suppliers, and our offering provides first rate expertise to both parties, in the form of food technical knowledge, to ensure the customer can be sure of the highest quality of its supplies.

Relationships with our suppliers and customers are seen as paramount to ensure our mutual businesses thrive and grow. We source products from multiple suppliers, all of which have been internally approved and meet the Groups high standard of suitability, to ensure continuity of supply and a wide range of product offerings.

Within the year, Kiril Mischeff Limited acquired Good Food Wines Limited, who are an independent importer, blender, and packager of a wide range of alcoholic beverages (including wines, spirits, liqueurs, beers and ciders), vinegars and condiments, which are supplied as ingredients to the UK food and drinks manufacturing industry. This acquisition complements our wide-ranging portfolio of products whilst opening potential new markets to the Group.

Business review and results

Group turnover increased 36% during the year, standing at £251.6m. Gross profit margin generated was £17.1m an increase 43% compared to last year with gains also being made in gross profit percentage increasing to 6.8%. Group operating profit achieved was £4.9m being an increase of £2.0m on last year. Profit after taxation stands at £3.8m, an increase of £1.7m on 2022 results.

Key performance indicators

The Group adopts a variety of key performance indicators ("KPI's) to monitor its performance. The principle KPI's are sales and margin reports and divisional and company profit & loss accounts. The Group reviews stock levels on a weekly basis versus stock target levels and cash is monitored daily and forecast on a weekly basis.

In order to upkeep its aim of delivering excellent service levels the Group also monitors the level of unfulfilled orders on a weekly basis and investigates out of stock occurrences.

The use of these KPI's enables management to ensure service levels are maintained and that products can be assessed for profitability on a line-by-line basis.

KIRIL MISCHEFF (TRADING) LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

Principal risks and uncertainties

The Group is subject to exchange rate fluctuations as the majority of our products are imported. To manage this risk the Board adopts a system of fixing the exchange rate on contracted purchases at the time of securing the contract.

The Group is obliged to honour its supply contracts to customers. Accordingly, to provide certainty of supply the Group sources from multiple suppliers worldwide whenever possible. Interest rate fluctuations are a risk to the Group which is managed by the use of tight working capital management.

The ongoing war between Russia and Ukraine together with conflicts in the Middle East, with attacks on vessels transiting the Red Sea, have resulted in increased complications regarding supply of material, cost base and timeliness of product to our customer base. The Group continues to have negotiations with suppliers and customers and attempts to adopt flexible shipping patterns where possible from source, to mitigate associated risks and ensure continuity of supply at these times of heightened tensions.

S172 Companies Act 2006

The Directors of the Group consider that they have acted in a way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in S172 (a f) of the Companies Act 2006) in the decisions taken during the period ended 30 September 2023.

The Board ensure that the requirements of S172 of the Companies Act 2006 are met and the interests of its stakeholder groups are considered through a combination of the following:

- Standard agenda points and presentations at each Board meeting:
- Regularly scheduled Board presentations and reports, including monthly leadership team meetings with updates on financial, commercial, and operational matters, including Health & Safety updates:
- Regular updates with the stakeholders, including but not limited to, suppliers, customers and employees:
- Consideration of the sustainability of Group operations, the impact of operations on the community and environment, and how this can continue to be improved: and
- A detailed annual budget setting process covering the following three years, which considers the Group strategy and long-term goals of the business.

KIRIL MISCHEFF (TRADING) LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

Future developments

The Group operates in a very competitive environment and the current economic climate means that all companies which thrive must operate with the most efficient cost base. Accordingly, the Board believes margin pressures will continue from customers and suppliers.

However with an ever-increasing worldwide population, food demands are increasing and consumer tastes changing which mean the volume and the range of food requirements continue to rise. The Board will strive to capitalise on this opportunity by sourcing new and exciting products from existing and new suppliers, whilst maintaining a tight rein on its cost base and working capital requirements.

KIRIL MISCHEFF (TRADING) LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

Streamlined energy and carbon reporting

Direct emissions

	2023	2022
Combustion of gas and use of fuel for transport (tCO ₂)	86	42
Combustion of gas and use of fuel for transport (kWh)	568,227	336,712

Indirect emissions

	2023	2022
Purchase of electricity (tCO ₂)	184	159
Purchase of electricity (kWh)	955,752	822,174

Intensity ratios

	2023	2022
Group sales £m	252	186
Direct emissions per £m of sales	3	4
Indirect emissions per £m of sales	1	1

This report was approved by the board and signed on its behalf.



.....
DA Mirchev
Director

Date: 28 March 2024

KIRIL MISCHEFF (TRADING) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

The directors present their report and the financial statements for the year ended 30 September 2023.

Results and dividends

The profit for the year, after taxation, amounted to £3,833,000 (2022 - £2,073,000).

A dividend of £300,000 (2022 - £100,000) was paid during the year.

Directors

The directors who served during the year were:

RAR Mischeff
MS Auty
JI Bowler
C Green
MKL Jackson
IR Marlow
DA Mirchev
A Smith

Political donations

The Company has made no political donations during the year (2022: £Nil).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, Armstrong Watson Audit Limited will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.



.....
A Smith
Director

Date: 28 March 2024

KIRIL MISCHEFF (TRADING) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT TO THE MEMBERS OF KIRIL MISCHEFF (TRADING) LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2023

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

KIRIL MISCHEFF (TRADING) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KIRIL MISCHEFF (TRADING) LIMITED

Opinion

We have audited the financial statements of Kiril Mischeff (Trading) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2023, which comprise the Consolidated statement of comprehensive income, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows, the Consolidated statement of changes in equity, the Company statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2023 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Going concern

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

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

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

KIRIL MISCHEFF (TRADING) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KIRIL MISCHEFF (TRADING) LIMITED (CONTINUED)

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

Strategic report and directors' report

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

- the information given in the Group 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 Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

Directors responsibilities

As explained more fully in the Directors' responsibilities statement set out on page 6, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

KIRIL MISCHEFF (TRADING) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KIRIL MISCHEFF (TRADING) LIMITED (CONTINUED)

Auditors' responsibilities

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

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

- We obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the UK Companies Act, tax legislation and occupational health and employment legislation.
- We enquired of the directors, reviewed correspondence with HMRC and reviewed directors meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the directors have in place to ensure compliance.
- We gained an understanding of the controls that the directors have in place to prevent and detect fraud. We enquired of the directors about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: revenue recognition and management override of controls.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the directors and third-party advisors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

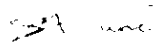
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

KIRIL MISCHEFF (TRADING) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KIRIL MISCHEFF (TRADING) LIMITED
(CONTINUED)**

The purpose of our audit work and to whom we owe our responsibilities

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 Auditors' 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.



Simon Turner (Senior statutory auditor)
for and on behalf of

Armstrong Watson Audit Limited
Chartered Accountants & Statutory Auditor
Statutory Auditor
Northallerton
Date:

KIRIL MISCHEFF (TRADING) LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Note	2023 £000	2022 £000
Turnover	4	251,635	185,725
Cost of sales		(234,481)	(173,695)
Gross profit		17,154	12,030
Distribution costs		(4,745)	(3,809)
Administrative expenses		(7,547)	(5,382)
Other operating income	5	13	12
Operating profit	6	4,875	2,851
Income from shares in group undertakings		-	24
Goodwill on consolidation		(151)	-
Interest receiveable / (payable)		121	(465)
Profit before taxation		4,845	2,410
Tax on profit	10	(1,012)	(337)
Profit for the financial year		3,833	2,073
Effective portion of charges over cash flow hedges		632	2,508
Other comprehensive income for the year		632	2,508
Total comprehensive income for the year		4,465	4,581
Profit for the year attributable to:			
Owners of the parent Company		3,833	2,073
		3,833	2,073
Total comprehensive income for the year attributable to:			
Owners of the parent Company		4,465	4,581
		4,465	4,581

The notes on pages 20 to 44 form part of these financial statements.

KIRIL MISCHEFF (TRADING) LIMITED
REGISTERED NUMBER: 5486353

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2023

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	12	3,895	-
Tangible assets	13	4,441	3,607
Investments	14	26	44
		<u>8,362</u>	<u>3,651</u>
Current assets			
Stocks	15	18,015	16,912
Debtors	16	44,682	41,285
Bank and cash balances		14,848	10,152
		<u>77,545</u>	<u>68,349</u>
Creditors: amounts falling due within one year		(58,688)	(52,851)
Net current assets		<u>18,857</u>	<u>15,498</u>
Total assets less current liabilities		<u>27,219</u>	<u>19,149</u>
Creditors: amounts falling due after more than one year	18	(10)	(10)
Provisions for liabilities			
Other provisions	19	(7,947)	(1,534)
Net assets excluding pension asset		<u>19,262</u>	<u>17,605</u>
Net assets		<u>19,262</u>	<u>17,605</u>
Capital and reserves			
Called up share capital	20	32	32
Share premium account		20	20
Capital redemption reserve		28	28
Cash flow hedge reserve		632	2,508
Profit and loss account		18,550	15,017
Equity attributable to owners of the parent Company		<u>19,262</u>	<u>17,605</u>
		<u>19,262</u>	<u>17,605</u>

KIRIL MISCHEFF (TRADING) LIMITED
REGISTERED NUMBER: 5486353

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2023

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



.....
A Smith
Director
28 March 2024



.....
DA Mirchev
Director

The notes on pages 20 to 44 form part of these financial statements.

KIRIL MISCHEFF (TRADING) LIMITED
REGISTERED NUMBER: 5486353

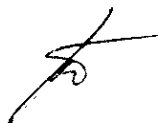
COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2023

	Note	2023 £000	2022 £000
Fixed assets			
Investments	14	670	670
		<u>670</u>	<u>670</u>
Current assets			
Debtors	16	963	339
		<u>963</u>	<u>339</u>
Creditors: amounts falling due within one year		(26)	(26)
		<u>(26)</u>	<u>(26)</u>
Net current assets		937	313
Total assets less current liabilities		<u>1,607</u>	<u>983</u>
Net assets		<u>1,607</u>	<u>983</u>
Capital and reserves			
Called up share capital	20	32	32
Share premium account		20	20
Capital redemption reserve		28	28
Profit and loss account		1,527	903
		<u>1,607</u>	<u>983</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
A Smith
 Director



.....
DA Mirchev
 Director

Date: 28 March 2024

The notes on pages 20 to 44 form part of these financial statements.

KIRIL MISCHEFF (TRADING) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Called up share capital	Share premium account	Capital redemption reserve	Cash flow hedge reserve	Profit & loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 October 2022	32	20	28	2,508	15,017	17,605
Profit for the year	-	-	-	-	3,833	3,833
Other comprehensive income	-	-	-	632	-	632
Dividends payable	-	-	-	-	(300)	(300)
Cash flow hedge movement	-	-	-	(2,508)	-	(2,508)
At 30 September 2023	32	20	28	632	18,550	19,262

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Called up share capital	Share premium account	Capital redemption reserve	Cash flow hedge reserve	Profit & loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 October 2021	30	12	28	23	13,044	13,137
Profit for the year	-	-	-	-	2,073	2,073
Other comprehensive income	-	-	-	2,508	-	2,508
Dividends payable	-	-	-	-	(100)	(100)
Shares issued during the year	2	8	-	-	-	10
Cash flow hedge movement	-	-	-	(23)	-	(23)
At 30 September 2022	32	20	28	2,508	15,017	17,605

The notes on pages 20 to 44 form part of these financial statements.

KIRIL MISCHIEFF (TRADING) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 October 2022	32	20	28	903	983
Profit for the year	-	-	-	924	924
Dividends payable	-	-	-	(300)	(300)
At 30 September 2023	32	20	28	1,527	1,607

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 October 2021	30	12	28	479	549
Profit for the year	-	-	-	524	524
Dividends: Equity capital	-	-	-	(100)	(100)
Shares issued during the year	2	8	-	-	10
At 30 September 2022	32	20	28	903	983

The notes on pages 20 to 44 form part of these financial statements.

KIRIL MISCHEFF (TRADING) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	2023	2022
	£000	£000
Cash flows from operating activities		
Profit for the financial year	3,833	2,073
Adjustments for:		
Amortisation of intangible assets	151	-
Depreciation of tangible assets	417	276
Loss on disposal of tangible assets	(92)	(26)
Interest received	(121)	-
Taxation charge	1,012	633
(Increase) in stocks	(1,103)	(5,763)
(Increase) in debtors	(5,413)	(8,319)
Increase in creditors	6,112	4,508
Increase/(decrease) in provisions	6,380	(201)
Share of operating profit/(loss) in associates	-	(24)
Corporation tax (paid)	(840)	(667)
Net cash generated from operating activities	10,336	(7,510)
Cash flows from investing activities		
Purchase of intangible fixed assets	(4,046)	-
Purchase of tangible fixed assets	(518)	(114)
Sale of tangible fixed assets	92	26
Purchase of fixed asset investments	(732)	-
Repayment of loan from associate	18	27
Net cash from investing activities	(5,186)	(61)
Cash flows from financing activities		
Issue of ordinary shares	-	10
New secured loans	-	674
Dividends paid	(300)	(100)
Interest paid	121	-
Net cash used in financing activities	(179)	584
Net increase/(decrease) in cash and cash equivalents	4,971	(6,987)
Cash and cash equivalents at beginning of year	9,865	16,852
Cash and cash equivalents at the end of year	14,836	9,865

KIRIL MISCHEFF (TRADING) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	2023	2022
	£000	£000
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	14,848	10,152
Bank overdrafts	(12)	(287)
	14,836	9,865

The notes on pages 20 to 44 form part of these financial statements.

KIRIL MISCHEFF (TRADING) LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	At 1 October 2022 £000	Cash flows £000	At 30 September 2023 £000
Cash at bank and in hand	10,152	4,696	14,848
Bank overdrafts	(287)	275	(12)
Debt due after 1 year	(10)	-	(10)
Debt due within 1 year	(676)	676	-
	-	-	-
	9,179	5,647	14,826

The notes on pages 20 to 44 form part of these financial statements.

KIRIL MISCHEFF (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. General information

Kiril Mischeff (Trading) Limited (the "company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 5486353 and the registered address is Broadwall House, 21 Broadwall, London, SE1 9PL.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

No separate parent company Cash Flow Statement with related notes is included.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 30 September 2023. The results of subsidiary undertakings are included in the consolidated profit and loss account. All intra group transactions, balances, income and expenses are eliminated on consolidation.

KIRIL MISCHEFF (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.3 Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary asset and liabilities that are measured in terms of historic cost in a foreign currency are translated using the exchange rate at the date of that transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account except for differences arising on the retranslation of qualifying cash flow hedges, which are recognised in other comprehensive income.

2.4 Clarification of financial instruments issued by the group

In accordance with FRS 102.22, financial instruments issued by the group that are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party conditions that are potentially unfavourable to the group; and

(b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that included an obligation to deliver a valuable number of the entity's own equity instruments or is a derivative that will be settled by the entity' exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified take the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

KIRIL MISCHEFF (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.5 Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition, investments that can be measured reliably are measured at fair value with changes recognised in the profit and loss. Other investments are measured at cost less impairment recognised in the profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

KIRIL MISCHEFF (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.6 Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment; and
- hedging instruments in a designated hedging relationship shall be recognised as set out below.

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Cash flow hedges

Where a derivative is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Any ineffective portion of the hedge is recognised immediately in profit or loss.

For the cash flow hedges, where the financial transactions resulted in the recognition of a non-financial asset or non-financial liability, the hedging gain or loss recognised in other comprehensive income is included in the initial cost or other carrying amount of the asset or liability. Alternatively when the hedged item is recognised in the profit or loss the hedging gain or loss is reclassified to profit or loss. When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship but the hedged interest transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

KIRIL MISCHEFF (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.7 Tangible fixed asset

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Freehold property	- straight line over 50 years
Plant and equipment, fixtures and fittings	- straight line over 5 years
Motor vehicles	- straight line over 4 years

Revaluation

Investment properties and land are stated at fair value less any impairment losses. Gains on revaluation are recognised in other comprehensive income and accumulated in revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease previously recognised in profit or loss.

Losses arising on revaluation are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. Any excess is recognised in profit or loss.

2.8 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is on the date on which control is transferred to the entity.

At the acquisition date, the group recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

2.9 Investments in subsidiary undertakings

The cost of investments in subsidiary undertakings is recorded as cash paid and any further costs connected with the acquisition. Provision is made where necessary to reduce the carrying value of an investment to its estimated recoverable amount where in the opinion of the directors there has been an impairment.

KIRIL MISCHEFF (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.10 Investment in associated undertakings

An associate is an undertaking in which the Group has a long term interest and over which it exercises significant influence. The Group's share of the profits less losses of associates is included in the consolidated profit and loss account and its interest in their net assets, is included in investments in the consolidated balance sheet.

2.11 Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Amortisation

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be seven years.

- The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.
- Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

2.12 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

No depreciation is provided in respect of investment properties applying the fair value model.

2.13 Stocks

Stocks are stated at lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

KIRIL MISCHEFF (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.14 Impairment excluding stocks, investment properties and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the entity's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill can be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

2.15 Employee benefits

Defined contribution plans and other long term employee benefits

The company operates a defined contribution pension scheme. The pension costs charged to the profit and loss account are the premiums payable in accordance with the rules of the scheme in respect of the accounting period.

KIRIL MISCHEFF (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.16 Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

2.17 Turnover

Turnover represents amounts receivable for goods and services and net agency income from haulage, freight and rental services provided net of VAT. Turnover is also presented net of rebates receivable.

Turnover on the sale of goods is recognised when substantially all of the risks and rewards in the product have passed to the customer, and substantially all of the Group's work is completed which is usually upon delivery to the customer, or his agent.

In the year W Saunders (Shipping & Forwarding) Limited changed the basis of recognition of revenue to be the gross figure of turnover before costs are deducted.

2.18 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable, finance expenses on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are expensed as incurred.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit and loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

KIRIL MISCHEFF (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.19 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using the tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax is not recognised when assets are revalued, unless, by the balance sheet date, the company has entered into a binding agreement to sell the assets and recognise the gains or losses expected to arise on sale. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2.20 Related party disclosures

The company has adopted an accounting policy not to disclose related party transactions between the company, other group companies and associates.

2.21 Credit risk

The Group is exposed to credit risk to the extent of non-performance by its counterparties in respect of financial assets receivable. However, the Group has policies and procedures in place to ensure such risk is limited by placing credit limits on each counterparty. The Group regularly monitors such limits and defaults by counterparties, incorporating this information into credit risk controls. The Group does not currently hold any collateral to mitigate this exposure, however appropriate credit insurance is in place.

The maximum credit exposure to credit risk is limited to the carrying value of each asset.

KIRIL MISCHEFF (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.22 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.23 Going concern

At the time of approving the financial statements the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group has strong turnover, cash and net assets and the directors have prepared budgets and forecasts for up to and including 12 months from the date of signing this report which demonstrate a positive future position. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

3. Accounting judgements and estimates

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Such estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

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.

If the revision affects both current and future periods, the revision will impact both the period of the revision and future periods.

The directors consider that material estimates and judgements are applied in assessing the recoverable amount of trade debtors. The directors assess historic recovery rates and identify individual trade debtor balances that have passed their credit terms when assessing recoverable amount. Where individual balances are identified as past due the directors assess the balance on its own merits in assessing whether it is appropriate to recognise a bad debt or not against the balance.

The directors consider that material estimates and judgements are applied in assessing claim provisions. The directors assess the anticipated liability for individual claims occurred within the accounting period. Such claims are calculated based on all available information which are subject to varying degrees of assumptions. On satisfactory resolution of the claim, any excess or shortfall in provision is taken within profit and loss.

The directors consider that material estimates and judgements are applied in assessing the primary intangible recorded in the balance sheet being goodwill. The directors review the carrying value of goodwill and there have been no material changes since acquisition to after the value and therefore should be recorded at full purchase price less any accumulated amortisation.

KIRIL MISCHEFF (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. Turnover

The total turnover of the group for the year has been derived from its principal activity. The Board has not presented a geographical analysis of turnover as it is deemed it will be prejudicial to the interests of the Group.

5. Other operating income

	2023 £000	2022 £000
External rental income	13	12
	<u>13</u>	<u>12</u>

6. Operating profit

The operating profit is stated after charging/(crediting):

	2023 £000	2022 £000
Depreciation of owned fixed assets	417	245
Amortisation of goodwill	151	25
Auditor's remuneration - audit services	66	52
Auditor's remuneration - other services	7	7
Operating lease charges - land and buildings	25	25
Profit on disposal of fixed assets	92	26
Net foreign exchange gains	119	328
	<u>119</u>	<u>328</u>

7. Auditors' remuneration

	2023 £000	2022 £000
Fees payable to the Group's auditor and its associates in respect of:		
Audit of the group subsidiaries	66	52
Tax services	7	7
Due diligence	70	-
	<u>143</u>	<u>59</u>

Auditor's remuneration relating to the Company are Nil (2022: £Nil). Audit remuneration is charged through subsidiary companies.

KIRIL MISCHEFF (TRADING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

8. Staff costs

The average number of employees of the group including directors during the year was:

	2023 No.	2022 No.
Office, management & trading	161	136
	<u>161</u>	<u>136</u>

Group employee costs including directors during the year

	Group 2023 £000	2022 £000
Wages and salaries	8,736	5,692
Social security costs	1,005	731
Cost of defined contribution scheme	443	375
	<u>10,184</u>	<u>6,798</u>

The Company has no employees other than the directors, who did not receive any remuneration (2022 - £Nil).

	2023 £000	2022 £000
Directors' remuneration		
Salaries	3,124	2,561
Benefits in kind	72	95
Pension contributions	120	79
	<u>3,316</u>	<u>2,735</u>

There are 6 (2022: 6) directors accruing pension benefits under money purchase schemes.

KIRIL MISCHEFF (TRADING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

8. Staff costs (continued)

The remuneration of the highest paid director was as follows:

	2023 £000	2022 £000
Salaries	1,194	1,114
Benefits in kind	5	10
Pension contributions	7	4
	1,206	1,128

9. Interest

	2023 £000	2022 £000
Bank interest receivable	121	13
Other interest payable	-	(478)
	121	(465)

10. Taxation

	2023 £000	2022 £000
Corporation tax		
Current tax on profits for the year	815	404
	815	404
Total current tax	815	404
Deferred tax		
Origination and reversal of timing differences	197	(67)
Total deferred tax	197	(67)
Taxation on profit on ordinary activities	1,012	337

KIRIL MISCHEFF (TRADING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - lower than) the standard rate of corporation tax in the UK of 25% (2022 - 19%). The differences are explained below:

	2023 £000	2022 £000
Profit on ordinary activities before tax	4,845	2,410
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2022 - 19%)	1,211	458
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	5
Capital allowances for year in excess of depreciation	(50)	37
Adjustments to tax charge in respect of prior periods	(149)	(163)
Total tax charge for the year	1,012	337

Factors that may affect future tax charges

An increase in the UK corporation tax rate from 19% to 25% was announced in the 2021 budget, this has taken effect from April 2023. The rate for small profits under £50,000 will remain at 19%, and there will be taper relief for businesses with profits between £50,000 and £250,000.

11. Profit for the year attributable to shareholders

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £924,000 (2022 - £524,000).

KIRIL MISCHEFF (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

12. Intangible assets

Group

	Goodwill on acquisition of Bitage £000	Goodwill on acquisition of Holme Farm Group Holdings £000	Goodwill on acquisition of Unsoy £000	Goodwill on acquisition of Good Food Wines Limited £000	Total £000
Cost					
At 1 October 2022	357	(357)	300	-	300
Additions	-	-	-	4,046	4,046
At 30 September 2023	357	(357)	300	4,046	4,346
Amortisation					
At 1 October 2022	357	(357)	300	-	300
Charge for the year on owned assets	-	-	-	151	151
At 30 September 2023	357	(357)	300	151	451
Net book value					
At 30 September 2023	-	-	-	3,895	3,895
At 30 September 2022	-	-	-	-	-

Negative goodwill arose on the acquisition of Holme Farm Group Holdings Limited on 30 September 2014.

On 30 April 2015, Kiril Mischeff Limited acquired the stock and trade of Unsoy in the UK, which resulted in goodwill arising.

On 17 May 2023, Kiril Mischeff Limited acquired Good Food Wines Limited, which resulted in goodwill arising. Goodwill is being amortised over a period of ten years.

KIRIL MISCHEFF (TRADING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

12. Intangible assets (continued)

Company

	Goodwill on acquisition of Unsoy £000
Cost	
At 1 October 2022	300
At 30 September 2023	300
Amortisation	
At 1 October 2022	300
At 30 September 2023	300
Net book value	
At 30 September 2023	-
At 30 September 2022	-

KIRIL MISCHEFF (TRADING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

13. Tangible fixed assets

Group

	Freehold property £000	Lease Renewal £000	Motor vehicles £000	Fixtures & fittings £000	Investment property £000	Total £000
Cost or valuation						
At 1 October 2022	3,835	-	817	2,213	250	7,115
Additions	-	-	191	327	-	518
Acquisition of subsidiary	-	37	-	3,082	-	3,119
Disposals	-	-	(302)	-	-	(302)
At 30 September 2023	<u>3,835</u>	<u>37</u>	<u>706</u>	<u>5,622</u>	<u>250</u>	<u>10,450</u>
Depreciation						
At 1 October 2022	1,037	-	730	1,740	-	3,507
Charge for the year on owned assets	46	-	61	310	-	417
Acquisition of subsidiary	-	3	-	2,384	-	2,387
Disposals	-	-	(302)	-	-	(302)
At 30 September 2023	<u>1,083</u>	<u>3</u>	<u>489</u>	<u>4,434</u>	<u>-</u>	<u>6,009</u>
Net book value						
At 30 September 2023	<u>2,752</u>	<u>34</u>	<u>217</u>	<u>1,188</u>	<u>250</u>	<u>4,441</u>
At 30 September 2022	<u>2,797</u>	<u>-</u>	<u>87</u>	<u>473</u>	<u>250</u>	<u>3,607</u>

The freehold property was last professionally revalued on 5 December 2021 by a third party on an open market value basis and the directors believe that this valuation is still valid at the current year end. This asset has a mixed use, in equal proportions, between freehold property and freehold investment property.

KIRIL MISCHEFF (TRADING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

14. Fixed asset investments

Group

	Investments in associated undertakings £000
Cost or valuation	
At 1 October 2022	299
At 30 September 2023	<u>299</u>
Impairment	
At 1 October 2022	255
Impairment on disposals	18
At 30 September 2023	<u>273</u>
Net book value	
At 30 September 2023	<u>26</u>
At 30 September 2022	<u>44</u>

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 October 2022	670
At 30 September 2023	<u>670</u>
Net book value	
At 30 September 2023	<u>670</u>
At 30 September 2022	<u>670</u>

KIRIL MISCHEFF (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

14. Fixed asset investments (continued)

Direct subsidiary undertaking

The following was a direct subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Kiril Mischeff Limited	Broadwall House, 21 Broadwall, London, SE1 9PL	Import and distribution of food products	Ordinary	100%

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
W Saunders (Shipping & Forwarding) Limited	Broadwall House, 21 Broadwall, London, SE1 9PL	Shipping and forwarding	Ordinary	100%
Bitage Limited	Enterprise House, Carlton Road, Worksop, Nottinghamshire, S81 7QF.	Provision of serviced offices	Ordinary	100%
EE & Brian Smith (1928) Limited	Brook Farm, Dorton, Aylesbury, Buckinghamshire, HP18 9NQ	Import and distribution of food products	Ordinary	100%
E.F.W Limited	The Site Office, Holme Farm, Swineshead, Lincolnshire, PE20 3NL	Food processing and packaging	Ordinary	*100%
Holme Farm Fruits Limited	East Gormack, Blairgowrie, Perthshire, PH10 6TA	Food processing and packaging	Ordinary	**50%
KM EEBS (Ireland) Limited	Pottlerath, Kilmanagh, Kilkenny, Co Kilkenny R95 8W7, Ireland	The provision of product labelling and administration services	Ordinary	*100%
Good Food Wines Limited	Enterprise House, Carlton Road, Worksop, Nottinghamshire, S81 7QF.	Food blending and packaging	Ordinary	100%

* Interest held by Holme Farm Group Holdings Limited

** The company holds significant influence but not a controlling influence with this entity treated as an associated undertaking.

All shares held in subsidiary companies are ordinary shares.

In the opinion of the directors, the aggregate value of the company's investment in the subsidiary is not less than the amount included in the balance sheet.

From the above listing of subsidiary undertakings Bitage Limited and E.F.W Limited are exempt from audit by virtue of S479A of The Companies Act 2006.

KIRIL MISCHEFF (TRADING) LIMITED

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FOR THE YEAR ENDED 30 SEPTEMBER 2023**

15. Stocks

	Group 2023 £000	Group 2022 £000
Finished goods and goods for resale	18,015	16,912
	18,015	16,912

The difference between purchase price or production cost of stocks and their replacement cost is not material.

16. Debtors

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Deferred tax asset	200	365	-	-
Trade debtors	42,649	37,972	-	-
Amounts owed by group undertakings	-	-	963	339
Other debtors	497	312	-	-
Financial asset from hedging instrument	632	2,508	-	-
Prepayments and accrued income	622	71	-	-
Corporation tax recoverable	83	57	-	-
	44,683	41,285	963	339

17. Creditors: Amounts falling due within one year

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Trade creditors	48,419	44,356	-	-
Finance leases	27	27	-	-
Amounts due to subsidiaries, joint ventures and associated undertakings	-	-	26	26
Other taxation and social security	1,345	372	-	-
Bank overdrafts	12	963	-	-
Other creditors	11	-	-	-
Accruals and deferred income	8,874	7,133	-	-
	58,688	52,851	26	26

KIRIL MISCHEFF (TRADING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

18. Creditors: Amounts falling due after more than one year

	Group 2023 £000	Group 2022 £000
Tenant deposits	10	10
	<u>10</u>	<u>10</u>

19. Provisions

	Claims £000	Deferred Consideration on Acquisition £000	Total £000
At 1 October 2022	1,535	-	1,535
Charge in the year	802	5,609	6,411
At 30 September 2023	<u>2,337</u>	<u>5,609</u>	<u>7,946</u>

Claims relate to estimated liabilities in relation to the supply of products to customers. All claims are expected to be settled after more than one year. Deferred consideration relates to the acquisition of Good Food Wines Limited in the year. Deferred Consideration is expected to be settled over multiple years as follows:

	2023 £000
Within one year	1,601
Between two and five years	4,008
	<u>5,609</u>

20. Share capital

	2023 £000	2022 £000
Allotted, called up and fully paid		
262,500 (2022 - 262,500) 'A' Ordinary shares of £0.10 each	26	26
37,500 (2022 - 37,500) 'B' Ordinary shares of £0.10 each	4	4
15,790 (2022 - 15,790) 'C' Ordinary shares of £0.10 each	2	2
	<u>32</u>	<u>32</u>

KIRIL MISCHEFF (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

20. Share capital (continued)

'A' Ordinary shares have full rights with regards to voting, participation and dividends.

'B' Ordinary shares have full rights with regards to voting and dividends with a limit on participation.

'C' Ordinary shares have full rights with regards to voting and dividends with a limit on participation.

21. Business combinations

On 17 May 2023 Kiril Mischeff Limited acquired 100% of the ordinary share capital of Good Food Wines Limited for total consideration of £13,574,000, payable in cash.

Good Food Wines Limited operates as a food broker from its site at Whitewall Road, No.3 Warehouse, Strood, Rochester, ME2 4EW

Acquisition of Good Food Wines Limited

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £000	Fair value adjustments £000	Fair value £000
Fixed Assets			
Tangible	719	-	719
	<u>719</u>	<u>-</u>	<u>719</u>
Current Assets			
Stocks	2,811	-	2,811
Debtors	3,210	-	3,210
Cash at bank and in hand	5,749	-	5,749
Total Assets	<u>12,489</u>	<u>-</u>	<u>12,489</u>
Creditors			
Due within one year	(2,992)	-	(2,992)
Deferred taxation	32	-	32
Total Identifiable net assets	<u>9,529</u>	<u>-</u>	<u>9,529</u>
Goodwill			4,046
Total purchase consideration			<u>13,575</u>

KIRIL MISCHEFF (TRADING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

21. Business combinations (continued)

Consideration

	£000
Cash	7,468
Debt instruments	200
Contingent consideration	5,609
Directly attributable costs	298
Total purchase consideration	13,575

KIRIL MISCHEFF (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

21. Business combinations (continued)

Cash outflow on acquisition

Net cash outflow on acquisition

The results of Good Food Wines Limited since acquisition are as follows:

	Current period since acquisition £000
Turnover	14,064
Profit for the period since acquisition	904

22. Contingent liabilities

Group

At 30 September 2023 the group had outstanding forward foreign exchange contracts of £79,848,637 (2022: £74,320,468).

23. Pension commitments

The group operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the group and amounted to £402,724 (2022: £375,211) for the year.

Contributions totalling £36,862 (2022: £34,013) were payable to the scheme at the year end and are included in creditors.

24. Commitments under operating leases

At 30 September 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £000	Group 2022 £000
Not later than 1 year	155	25
Later than 1 year and not later than 5 years	385	44
Later than 5 years	4,634	-
	<u>5,174</u>	<u>69</u>

KIRIL MISCHEFF (TRADING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

25. Cash flow hedges

The following table indicates the period which the cash flows associated with the cash flow hedging instruments are expected to occur as required by FRS 102.29(a) for the cash flow hedge accounting models.

	2023			2022		
	Carrying amount £000	Expected cash flows £000	1 Year or less £000	Carrying amount £000	Expected cash flows £000	1 Year or less £000
Foreign exchange contracts:						
Assets	632	632	632	2508	2508	2508
Liabilities	-	-	-	-	-	-
	2,508	2,508	2,508	2508	2508	2508

26. Related party transactions

At 30 September 2023 a loan of £420,540 (2022: £258,092) was due to a group company by Broadwall Properties Limited, a company controlled by RAR Mischeff.

At 30 September 2023 a loan of £20,262 (2022: £20,262) was due from Holme Farm Fruits Limited, an associate of the Group.

27. Controlling party

The group does not have an ultimate controlling party due to the shareholdings of the entity.