

COMPANY REGISTRATION NUMBER: 05631719

EFG FOOD & TECH HOLDINGS LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2018

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EFG FOOD & TECH HOLDINGS LIMITED

FINANCIAL STATEMENTS

Year ended 31 December 2018

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EFG FOOD & TECH HOLDINGS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr S Hussain
Mr S Jabbar
Mr R Miah

Company secretary

Mr R Miah

Registered office

E F G Food Technology Park
Llantarnam Way
Llantarnam Industrial Park
Cwmbran
NP44 3GA

Auditor

Kilsby & Williams LLP
Chartered Accountants & statutory auditor
Cedar House
Hazell Drive
Newport
NP10 8FY

EFG FOOD & TECH HOLDINGS LIMITED

STRATEGIC REPORT

Year ended 31 December 2018

Review of the business

The principal activity of the group during the year was that of a food wholesaler to the catering trade, wholesalers and general public.

The group cares passionately about its customers and tailors its business to suit over the years. The group leads the industry with innovation in products and services to ensure ongoing loyal customer relationships based around a genuine understanding of their needs. A key strength of the group is its ability to distribute orders efficiently to a large number of customers. The group continues to invest in new technologies.

The director believes the main performance indicators are turnover and the gross profit margin. Performance of the group was as follows:

	2018	2017
	£'000	£'000
Turnover	114,431	115,497
Gross Profit (%)	16	16
Operating (loss)/profit before exceptional items	60	(928)

Despite difficult business conditions the group has maintained its turnover during the year. The group has come under price increases which it has not passed onto its customers. Prices are now dropping back to normal levels and the margin is expected to improve in 2020. The group continues to focus on improving its own brand products. Operating profit has improved due to an decrease in overheads and sale of land owned by the group.

The group has aimed to grow its gross profit year on year. In 2018 due to a ban imposed on its main poultry supplier by the EU, the group has had to source poultry from new suppliers. The group has also repaid £19m of funds to its incumbent suppliers, which the group did so by reducing stock levels and investing monies from asset sale and sister companies in Bangladesh. All new suppliers were at higher costs and reduced terms and the group for the 1st time entered into a contract for 6 months. Towards the end of 2018 the market for chicken prices fell sharply. The group honoured all its commitments to all suppliers sacrificing its own gross profit. Resulting in the decline in 2018 gross profit. This honourable act is now already being rewarded by valuable suppliers in 2019 with products at better prices and availability, which the group is now benefiting from. This is the main factor for the lower net profit in this financial year.

Since the year end the group has become the UK distributor for a major UK and European brand. This will complement the existing business and lead to increased turnover and profitability.

Principal risks and uncertainties

The principal risks and uncertainties facing the business are as follows:

The industry is extremely competitive with the market being served by numerous competitors, ranging from national retailers to other independent wholesalers. The group manages this risk by providing fast response times in fulfilling sales orders.

The business will also be impacted by the current economic situation. The wholesale market has been affected by price increases and changing consumer habits. This will lead to difficulties affecting its customer base which may impact on the group. Sales trends are reviewed to enable early action and early signs of potential financial difficulties in customers are identified.

Availability of credit and working capital is essential for the group's financial performance. The group closely manages credit terms to ensure that they are met.

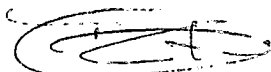
The directors feel that the group is in a strong position to face any coming uncertainties that may arise.

EFG FOOD & TECH HOLDINGS LIMITED

STRATEGIC REPORT *(continued)*

Year ended 31 December 2018

This report was approved by the board of directors on 24-09-2019 and signed on behalf of the board by:



Mr R Miah
Director

EFG FOOD & TECH HOLDINGS LIMITED

DIRECTORS' REPORT

Year ended 31 December 2018

The directors present their report and the financial statements of the group for the year ended 31 December 2018.

Directors

The directors who served the company during the year were as follows:

Mr S Hussain
Mr S Jabbar
Mr R Miah

Dividends

Particulars of recommended dividends are detailed in note 14 to the financial statements.

Future developments

The directors aim to maintain the management policies which have resulted in the development of the group in recent years. They believe that the group is well placed in the market and will continue to trade successfully.

Employment of disabled persons

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

Employee involvement

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests. Regular meeting are held between local management and employees to allow a free flow of information and ideas.

Financial instruments

The group's principal instruments comprise bank balances, sales financing balances, trade creditors, trade debtors, bank loans and other loans due to/from the group. The main purpose of these instruments is to raise funds and to finance the company's operations.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

The group manages the liquidity risk of bank loans by ensuring there are sufficient funds to meet the payments.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

The group sources goods from abroad and is therefore subject to foreign exchange fluctuations. The risk is managed by regular monitoring of exchange rates.

EFG FOOD & TECH HOLDINGS LIMITED

DIRECTORS' REPORT *(continued)*

Year ended 31 December 2018

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 31 to the financial statements.

Disclosure of information in the strategic report

In accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 we set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

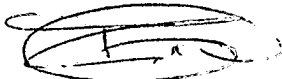
The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

EFG FOOD & TECH HOLDINGS LIMITED

DIRECTORS' REPORT *(continued)*

Year ended 31 December 2018

This report was approved by the board of directors on24/09/2019..... and signed on behalf of the board by:



Mr R Miah
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EFG FOOD & TECH HOLDINGS LIMITED

Year ended 31 December 2018

Opinion

We have audited the financial statements of EFG Food & Tech Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the consolidated profit and loss account, consolidated balance sheet, balance sheet, consolidated statement of changes in equity, company statement of changes in equity, consolidated cash flow statement 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 FRS 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 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 auditor's 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 UK, including 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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 group's or the parent 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EFG FOOD & TECH HOLDINGS LIMITED (continued)

Year ended 31 December 2018

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 this regard.

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.

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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EFG FOOD &
TECH HOLDINGS LIMITED** *(continued)*

Year ended 31 December 2018

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 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.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in



**KILSBY
WILLIAMS**
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EFG FOOD &
TECH HOLDINGS LIMITED (continued)**

Year ended 31 December 2018

a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Ataf Salim (Senior Statutory Auditor)

**For and on behalf of
Kilsby & Williams LLP
Chartered Accountants & statutory auditor
Cedar House
Hazell Drive
Newport
NP10 8FY**

25/09/19

EFG FOOD & TECH HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 31 December 2018

	Note	2018 £	2017 £
TURNOVER	4	114,430,606	115,496,965
Cost of sales		(96,291,030)	(97,043,405)
GROSS PROFIT		18,139,576	18,453,560
Distribution costs		(449,323)	(319,415)
Administrative expenses		(18,528,191)	(19,142,302)
Other operating income	5	853,769	79,703
OPERATING PROFIT/(LOSS)	6	15,831	(928,454)
Income from interests in associates	10	(59,390)	(18,871)
Income from other fixed asset investments	11	835,364	–
Interest payable and similar expenses	12	(208,022)	(152,980)
PROFIT/(LOSS) BEFORE TAXATION		583,783	(1,100,305)
Tax on profit/(loss)	13	(22,388)	273,875
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		561,395	(826,430)
Foreign currency retranslation		130,559	(281,312)
Tax relating to components of other comprehensive income		37,953	–
OTHER COMPREHENSIVE INCOME FOR THE YEAR		168,512	(281,312)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		729,907	(1,107,742)
Profit for the financial year attributable to:			
The owners of the parent company		283,176	(219,806)
Non-controlling interests		278,219	(606,624)
		561,395	(826,430)
Total comprehensive income for the year attributable to:			
The owners of the parent company		451,688	(501,118)
Non-controlling interests		278,219	(606,624)
		729,907	(1,107,742)

All the activities of the group are from continuing operations.

The notes on pages 18 to 34 form part of these financial statements.

EFG FOOD & TECH HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET *(continued)*

31 December 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Intangible assets	15	558,671	748,135
Tangible assets	16	19,626,586	14,409,319
Investments:	17		
Investments in associates		(277,292)	(217,902)
Other fixed asset investments		-	164,636
		<u>19,907,965</u>	<u>15,104,188</u>
CURRENT ASSETS			
Stocks	18	8,334,213	11,562,793
Debtors	19	26,656,962	20,022,378
Cash at bank and in hand		679,684	507,281
		<u>35,670,859</u>	<u>32,092,452</u>
CREDITORS: amounts falling due within one year	21	(44,690,940)	(35,939,472)
NET CURRENT LIABILITIES		<u>(9,020,081)</u>	<u>(3,847,020)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,887,884	11,257,168
CREDITORS: amounts falling due after more than one year	22	(1,130,235)	(1,922,261)
PROVISIONS			
Deferred tax	24	46,208	4,843
Other provisions	24	(467,000)	(539,000)
		<u>(420,792)</u>	<u>(534,157)</u>
NET ASSETS		<u>9,336,857</u>	<u>8,800,750</u>
CAPITAL AND RESERVES			
Called up share capital	28	30,000	30,000
Revaluation reserve	29	1,692,000	1,654,047
Profit and loss account	29	7,874,755	7,654,820
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY		<u>9,596,755</u>	<u>9,338,867</u>
NON-CONTROLLING INTERESTS		<u>(259,898)</u>	<u>(538,117)</u>
		<u>9,336,857</u>	<u>8,800,750</u>

These financial statements were approved by the board of directors and authorised for issue on 24.01.2019 and are signed on behalf of the board by:



Mr R Miah
Director

Company registration number: 05631719

The notes on pages 18 to 34 form part of these financial statements.

EFG FOOD & TECH HOLDINGS LIMITED

BALANCE SHEET

31 December 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Tangible assets	16	11,956,708	-
Investments	17	637,900	637,900
		<u>12,594,608</u>	<u>637,900</u>
CURRENT ASSETS			
Debtors	19	1,904,551	-
Cash at bank and in hand		99,010	750
		<u>2,003,561</u>	<u>750</u>
CREDITORS: amounts falling due within one year	21	(8,689,758)	(49,650)
NET CURRENT LIABILITIES		<u>(6,686,197)</u>	<u>(48,900)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,908,411	589,000
CREDITORS: amounts falling due after more than one year	22	(788,484)	-
NET ASSETS		<u>5,119,927</u>	<u>589,000</u>
CAPITAL AND RESERVES			
Called up share capital	28	30,000	30,000
Profit and loss account	29	5,089,927	559,000
SHAREHOLDERS FUNDS		<u>5,119,927</u>	<u>589,000</u>

The profit for the financial year of the parent company was £4,724,727 (2017: £209,950).

These financial statements were approved by the board of directors and authorised for issue on ~~24.09.2019~~ and are signed on behalf of the board by:



Mr R Miah
Director

Company registration number: 05631719

The notes on pages 18 to 34 form part of these financial statements.

EFG FOOD & TECH HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2018

	Called up share capital £	Revaluatio n reserve £	Profit and loss account £	Equity attributab le to the owners of the parent company £	Non-contr olling interests £	Total £
AT 1 JANUARY 2017	30,000	1,572,660	8,481,525	10,084,185	68,507	10,152,692
Loss for the year			(219,806)	(219,806)	(606,624)	(826,430)
Other comprehensive income for the year:						
Foreign currency retranslation	-	-	(281,312)	(281,312)	-	(281,312)
Reclassification from revaluation reserve to profit and loss account	-	(36,000)	36,000	-	-	-
Tax relating to components of other comprehensive income	13	117,387	(117,387)	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	81,387	(582,505)	(501,118)	(606,624)	(1,107,742)
Dividends paid and payable	14	-	(244,200)	(244,200)	-	(244,200)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	-	-	(244,200)	(244,200)	-	(244,200)
AT 31 DECEMBER 2017	30,000	1,654,047	7,654,820	9,338,867	(538,117)	8,800,750
Profit for the year			283,176	283,176	278,219	561,395
Other comprehensive income for the year:						
Foreign currency retranslation	-	-	130,559	130,559	-	130,559
Tax relating to components of other comprehensive income	13	37,953	-	37,953	-	37,953
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	37,953	413,735	451,688	278,219	729,907

The consolidated statement of changes in equity
continues on the following page.
The notes on pages 18 to 34 form part of these financial statements.

EFG FOOD & TECH HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(continued)*

Year ended 31 December 2018

	Called up share capital £	Revaluatio n reserve £	Profit and loss account £	Equity attributab le to the owners of the parent company £	Non-contr olling interests £	Total £
Dividends paid and payable	14 —	—	(193,800)	(193,800)	—	(193,800)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	—	—	(193,800)	(193,800)	—	(193,800)
AT 31 DECEMBER 2018	<u>30,000</u>	<u>1,692,000</u>	<u>7,874,755</u>	<u>9,596,755</u>	<u>(259,898)</u>	<u>9,336,857</u>

The notes on pages 18 to 34 form part of these financial statements.

EFG FOOD & TECH HOLDINGS LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2018

	Called up share capital	Profit and loss account	Total
	£	£	£
AT 1 JANUARY 2017	30,000	593,250	623,250
Profit for the year		209,950	209,950
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	209,950	209,950
Dividends paid and payable	14	(244,200)	(244,200)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	-	(244,200)	(244,200)
AT 31 DECEMBER 2017	30,000	559,000	589,000
Profit for the year		4,724,727	4,724,727
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	4,724,727	4,724,727
Dividends paid and payable	14	(193,800)	(193,800)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	-	(193,800)	(193,800)
AT 31 DECEMBER 2018	<u>30,000</u>	<u>5,089,927</u>	<u>5,119,927</u>

The notes on pages 18 to 34 form part of these financial statements.

EFG FOOD & TECH HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2018

	Note	2018 £	2017 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the financial year		561,395	(826,430)
<i>Adjustments for:</i>			
Depreciation of tangible assets		972,546	1,033,856
Amortisation of intangible assets		189,464	189,464
Impairment of intangible assets		–	208,500
Income from interests in associates		59,390	18,871
Income from other fixed asset investments		(835,364)	–
Interest payable and similar expenses		208,022	152,980
Loss on disposal of tangible assets		60,563	11,835
Unrealised foreign currency loss/(gains)		130,558	(281,311)
Tax on profit		22,388	(273,875)
Accrued income		(458,017)	(247,846)
<i>Changes in:</i>			
Stocks		3,228,580	648,497
Trade and other debtors		(6,505,016)	(3,188,567)
Trade and other creditors		5,455,248	1,712,135
Provisions and employee benefits		(72,000)	–
Cash generated from operations		3,017,757	(841,891)
Interest paid		(208,022)	(152,980)
Tax paid		(354,226)	(150,118)
Net cash from/(used in) operating activities		<u>2,455,509</u>	<u>(1,144,989)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible assets		(6,396,412)	(968,648)
Proceeds from sale of tangible assets		146,038	153
Proceeds from sale of other investments		1,000,000	–
Net cash used in investing activities		<u>(5,250,374)</u>	<u>(968,495)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		5,737,952	–
Repayments of borrowings		–	(518,933)
Proceeds from loans from participating interests		16,516	273,718
Payments of finance lease liabilities		227,032	(345,142)
Dividends paid		(193,800)	(244,200)
Directors loan account movements		6,297	(141,738)
Net cash from/(used in) financing activities		<u>5,793,997</u>	<u>(976,295)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2,999,132	(3,089,779)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		(3,614,125)	(524,346)
CASH AND CASH EQUIVALENTS AT END OF YEAR	20	<u>(614,993)</u>	<u>(3,614,125)</u>

The notes on pages 18 to 34 form part of these financial statements.

EFG FOOD & TECH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is E F G Food Technology Park, Llantarnam Way, Llantarnam Industrial Park, Cwmbran, NP44 3GA.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of EFG Food & Tech Holdings Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Non-controlling interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

EFG FOOD & TECH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2018

3. ACCOUNTING POLICIES *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Useful economic life of tangible fixed assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

EFG FOOD & TECH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2018

3. ACCOUNTING POLICIES *(continued)*

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	12% straight line
Patents, trademarks and licences	-	33% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Invoice discounting facility

The group has in place an invoice discount facility based on the value of trade receivables. Under this arrangement the group has retained both the credit and late payment risk associated with the receivables. As the group has retained substantially all the risk and rewards of ownership of the receivables, it continues to recognise the receivables in the balance sheet with advances from the facility provider treated as a separate liability.

The expenses associated with this facility are included within interest payable within the profit & loss.

Cash inflows and outflows relating to the invoice discounting facility are assessed to be an operating cash flow. Cashflows from receivables are also included within operating cash flows as if the factoring had no been entered into. The directors feel this method of presentation best reflects the substance of the relationship entered into.

EFG FOOD & TECH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2018

3. ACCOUNTING POLICIES *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line on buildings and nil on land
Long Leasehold property	-	over life of the lease
Short Leasehold property	-	over life of the lease
Plant and machinery	-	15% reducing balance
Fixtures and Fittings	-	20% reducing balance
Motor vehicles	-	25% reducing balance
Computer equipment	-	33% reducing balance

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

EFG FOOD & TECH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2018

3. ACCOUNTING POLICIES *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the balance sheet as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

EFG FOOD & TECH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2018

3. ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. TURNOVER

Turnover arises from:

	2018	2017
	£	£
Sale of goods	114,430,606	115,496,965

The turnover is attributable to the one principal activity of the group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2018	2017
	£	£
United Kingdom	109,018,223	110,417,216
Overseas	5,412,383	5,079,749
	114,430,606	115,496,965

EFG FOOD & TECH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2018

5. OTHER OPERATING INCOME

	2018	2017
	£	£
Rental income	116,419	24,683
Other operating income	737,350	55,020
	<u>853,769</u>	<u>79,703</u>

6. OPERATING PROFIT

Operating profit or loss is stated after charging/crediting:

	2018	2017
	£	£
Amortisation of intangible assets	189,464	189,464
Depreciation of tangible assets	972,544	1,033,856
Impairment of intangible assets recognised in:		
Administrative expenses	-	208,500
Loss on disposal of tangible assets	60,563	11,835
Cost of stocks recognised as an expense	-	94,723,918
Impairment of trade debtors	310,537	402,303
Operating lease rentals	62,294	65,880
Foreign exchange differences	(33)	-
	<u></u>	<u></u>

7. AUDITOR'S REMUNERATION

	2018	2017
	£	£
Fees payable for the audit of the financial statements	<u>31,700</u>	<u>31,750</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	5,150	5,150
Other non-audit services	2,000	2,000
	<u>7,150</u>	<u>7,150</u>

8. STAFF COSTS

The average number of persons employed by the group during the year, including the directors, amounted to:

	2018	2017
	No.	No.
Number of staff	<u>756</u>	<u>756</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018	2017
	£	£
Wages and salaries	9,738,411	9,714,815
Social security costs	622,367	637,618
Other pension costs	143,898	65,910
	<u>10,504,676</u>	<u>10,418,343</u>

EFG FOOD & TECH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2018

9. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services was:

	2018	2017
	£	£
Remuneration	207,679	195,738
Company contributions to defined contribution pension plans	70	434
	<u>207,749</u>	<u>196,172</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2018	2017
	No.	No.
Defined contribution plans	<u>3</u>	<u>3</u>

Remuneration of the highest paid director in respect of qualifying services:

	2018	2017
	£	£
Aggregate remuneration	<u>95,979</u>	<u>74,963</u>

10. INCOME FROM INTERESTS IN ASSOCIATES

	2018	2017
	£	£
Dividends from interests in associates	<u>(59,390)</u>	<u>(18,871)</u>

11. INCOME FROM OTHER FIXED ASSET INVESTMENTS

	2018	2017
	£	£
(Gain)/loss on disposal of other fixed asset investments	<u>835,364</u>	<u>-</u>

12. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Interest on banks loans and overdrafts	165,212	119,821
Interest on obligations under finance leases and hire purchase contracts	36,869	27,149
Other interest payable and similar charges	5,941	6,010
	<u>208,022</u>	<u>152,980</u>

EFG FOOD & TECH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2018

13. TAX ON PROFIT

Major components of tax income

	2018 £	2017 £
Current tax:		
UK current tax income	24,458	(21,900)
Adjustments in respect of prior periods	1,342	–
Total current tax	<u>25,800</u>	<u>(21,900)</u>
Deferred tax:		
Origination and reversal of timing differences	(3,412)	(251,975)
Tax on profit	<u>22,388</u>	<u>(273,875)</u>

Tax recognised as other comprehensive income or equity

The aggregate current and deferred tax relating to items recognised as other comprehensive income or equity for the year was £(37,953) (2017: £Nil).

Reconciliation of tax expense/(income)

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19%).

	2018 £	2017 £
Profit/(loss) on ordinary activities before taxation	583,783	(1,100,305)
Profit/(loss) on ordinary activities by rate of tax	110,920	(209,058)
Adjustment to tax charge in respect of prior periods	45,623	–
Effect of expenses not deductible for tax purposes	(19,032)	54,911
Effect of capital allowances and depreciation	75,533	(107,913)
Effect of different UK tax rates on some earnings	1,160	(2,387)
Income from foreign subsidiary not subject to tax	(195,676)	13,941
Other adjustments	3,860	(23,369)
Tax on profit	<u>22,388</u>	<u>(273,875)</u>

14. DIVIDENDS

	2018 £	2017 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>193,800</u>	<u>244,200</u>

EFG FOOD & TECH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2018

15. INTANGIBLE ASSETS

Group	Goodwill £	Patents, trademarks and licences £	Total £
Cost			
At 1 January 2018 and 31 December 2018	<u>1,625,366</u>	<u>1,503</u>	<u>1,626,869</u>
Amortisation			
At 1 January 2018	877,231	1,503	878,734
Charge for the year	<u>189,464</u>	<u>–</u>	<u>189,464</u>
At 31 December 2018	<u>1,066,695</u>	<u>1,503</u>	<u>1,068,198</u>
Carrying amount			
At 31 December 2018	<u>558,671</u>	<u>–</u>	<u>558,671</u>
At 31 December 2017	<u>748,135</u>	<u>–</u>	<u>748,135</u>

The company has no intangible assets.

16. TANGIBLE ASSETS

Group	Land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2018	12,821,080	4,451,199	3,533,436	3,363,479	24,169,194
Additions	5,375,627	262,136	709,306	49,343	6,396,412
Disposals	<u>–</u>	<u>(129,788)</u>	<u>(52,918)</u>	<u>(477,868)</u>	<u>(660,574)</u>
At 31 December 2018	<u>18,196,707</u>	<u>4,583,547</u>	<u>4,189,824</u>	<u>2,934,954</u>	<u>29,905,032</u>
Depreciation					
At 1 January 2018	2,092,657	2,685,729	2,729,939	2,251,550	9,759,875
Charge for the year	215,483	214,824	263,684	278,553	972,544
Disposals	<u>–</u>	<u>(37,714)</u>	<u>(27,476)</u>	<u>(388,783)</u>	<u>(453,973)</u>
At 31 December 2018	<u>2,308,140</u>	<u>2,862,839</u>	<u>2,966,147</u>	<u>2,141,320</u>	<u>10,278,446</u>
Carrying amount					
At 31 December 2018	<u>15,888,567</u>	<u>1,720,708</u>	<u>1,223,677</u>	<u>793,634</u>	<u>19,626,586</u>
At 31 December 2017	<u>10,728,423</u>	<u>1,765,470</u>	<u>803,497</u>	<u>1,111,929</u>	<u>14,409,319</u>

EFG FOOD & TECH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2018

16. TANGIBLE ASSETS *(continued)*

Company	Freehold property £	Long leasehold property £	Total £
Cost			
At 1 January 2018	–	–	–
Additions	9,288,934	2,712,098	12,001,032
At 31 December 2018	<u>9,288,934</u>	<u>2,712,098</u>	<u>12,001,032</u>
Depreciation			
At 1 January 2018	–	–	–
Charge for the year	44,324	–	44,324
At 31 December 2018	<u>44,324</u>	<u>–</u>	<u>44,324</u>
Carrying amount			
At 31 December 2018	<u>9,244,610</u>	<u>2,712,098</u>	<u>11,956,708</u>
At 31 December 2017	–	–	–

Tangible assets held at valuation

The group on transition to FRS 102 on 1 January 2014 elected to value an items of freehold property as deemed cost. The property was valued on an open market basis by an independent valuer, Colliers International Valuation UK LLP.

In respect of tangible assets held at valuation, aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

Group	Land and buildings £
At 31 December 2018	
Aggregate cost	3,349,482
Aggregate depreciation	(702,771)
Carrying value	<u>2,646,711</u>
At 31 December 2017	
Aggregate cost	11,021,080
Aggregate depreciation	(1,868,328)
Carrying value	<u>9,152,752</u>

The company has no tangible assets held at valuation.

EFG FOOD & TECH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2018

16. TANGIBLE ASSETS *(continued)*

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

Group	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
At 31 December 2018	<u>9,795</u>	<u>574,965</u>	<u>503,242</u>	<u>1,088,002</u>
At 31 December 2017	<u>145,932</u>	<u>39,663</u>	<u>654,650</u>	<u>840,245</u>

The company has no tangible assets held under finance lease or hire purchase agreements.

17. INVESTMENTS

Group	Interests in associates £	Other investments other than loans £	Total £
Share of net assets/cost			
At 1 January 2018	(217,902)	164,636	(53,266)
Disposals	–	(164,636)	(164,636)
Share of profit or loss	(44,645)		(44,645)
Movements in equity	3,147		3,147
Other movements	(17,892)	–	(17,892)
At 31 December 2018	<u>(277,292)</u>	<u>–</u>	<u>(277,292)</u>
Impairment			
At 1 January 2018 and 31 December 2018	<u>–</u>	<u>–</u>	<u>–</u>
Carrying amount			
At 31 December 2018	<u>(277,292)</u>	<u>–</u>	<u>(277,292)</u>
At 31 December 2017	<u>(217,902)</u>	<u>164,636</u>	<u>(53,266)</u>
Company			Shares in group undertakings £
Cost			
At 1 January 2018 and 31 December 2018			<u>637,900</u>
Impairment			
At 1 January 2018 and 31 December 2018			<u>–</u>
Carrying amount			
At 1 January 2018 and 31 December 2018			<u>637,900</u>
At 31 December 2017			<u>637,900</u>

EFG FOOD & TECH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2018

17. INVESTMENTS *(continued)*

Subsidiaries, associates and other investments

Details of the investments in which the group and the parent company have an interest of 20% or more are as follows:

	Registered office	Class of share	Percentage of shares held
Subsidiary undertakings			
Euro Foods Group Limited		Ordinary	100
KUKD.com Limited		Ordinary	77.5
Curries Online Limited		Ordinary	77.5
Euro Foods (UK) Limited		Ordinary	77.5
Masala Bazaar Limited		Ordinary	77.44
Euroasia Food Processing (BD) Limited	Bangladesh	Ordinary	59
Masala Shrimps Limited	Bangladesh	Ordinary	59
Euro Foods Delaware Inc	USA	Ordinary	100
Euro Foods Group USA LLC	USA	Ordinary	85
Other significant holdings			
Horizon Seafoods Limited	Bangladesh	Ordinary	49
Saidowla (PVT) Enterprise Limited	Bangladesh	Ordinary	49

18. STOCKS

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Stock	<u>8,334,213</u>	<u>11,562,793</u>	<u>-</u>	<u>-</u>

19. DEBTORS

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	18,051,497	14,281,809	-	-
Amounts owed by group undertakings	-	-	132,692	-
Amounts owed by undertakings in which the company has a participating interest	1,379,309	1,245,567	-	-
Prepayments and accrued income	1,769,706	554,927	-	-
Directors loan account	1,319,531	1,325,828	-	-
Other debtors	<u>4,136,919</u>	<u>2,614,247</u>	<u>1,771,859</u>	<u>-</u>
	<u>26,656,962</u>	<u>20,022,378</u>	<u>1,904,551</u>	<u>-</u>

20. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	2018	2017
	£	£
Cash at bank and in hand	679,684	507,281
Bank overdrafts	<u>(1,294,677)</u>	<u>(4,121,406)</u>
	<u>(614,993)</u>	<u>(3,614,125)</u>

EFG FOOD & TECH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2018

21. CREDITORS: amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans and overdrafts	9,063,444	5,228,447	7,732,557	–
Trade creditors	26,259,960	21,793,824	–	–
Amounts owed to group undertakings	–	–	829,201	39,250
Amounts owed to undertakings in which the company has a participating interest	183,914	33,655	–	–
Accruals and deferred income	716,471	1,174,487	117,600	–
Corporation tax	41,134	329,470	–	–
Social security and other taxes	860,523	702,987	–	–
Obligations under finance leases and hire purchase contracts	314,201	218,917	–	–
Other taxes	2,625	–	–	–
Sales financing	6,958,201	6,101,384	–	–
Other creditors	290,467	356,301	10,400	10,400
	<u>44,690,940</u>	<u>35,939,472</u>	<u>8,689,758</u>	<u>49,650</u>

The bank loans are secured by fixed charges over the company's investment and leasehold properties.

The finance leases and hire purchase contracts are secured on the assets to which they relate.

The sales financing agreement is secured over the trade debtors of the company.

22. CREDITORS: amounts falling due after more than one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans and overdrafts	788,484	1,712,258	788,484	–
Obligations under finance leases and hire purchase contracts	341,751	210,003	–	–
	<u>1,130,235</u>	<u>1,922,261</u>	<u>788,484</u>	<u>–</u>

The bank loans are secured by fixed charges over the company's investment and leasehold properties.

The finance leases and hire purchase contracts are secured on the assets to which they relate.

EFG FOOD & TECH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2018

23. FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Not later than 1 year	314,201	246,235	-	-
Later than 1 year and not later than 5 years	341,751	233,591	-	-
	<u>655,952</u>	<u>479,826</u>	<u>-</u>	<u>-</u>
Less: future finance charges	-	(50,906)	-	-
Present value of minimum lease payments	<u>655,952</u>	<u>428,920</u>	<u>-</u>	<u>-</u>

24. PROVISIONS

Group	Deferred tax (note 25) £	Government grants £	Total £
At 1 January 2018	(4,843)	539,000	534,157
Additions	11,913	-	11,913
Charge against provision	(15,325)	(72,000)	(87,325)
Transfers	(37,953)	-	(37,953)
At 31 December 2018	<u>(46,208)</u>	<u>467,000</u>	<u>420,792</u>

The company does not have any provisions.

25. DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Included in provisions (note 24)	<u>(46,208)</u>	<u>(4,843)</u>	<u>-</u>	<u>-</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Accelerated capital allowances	(34,727)	(38,087)	-	-
Revaluation of tangible assets	-	37,953	-	-
Deferred tax - other timing differences	<u>(11,481)</u>	<u>(4,709)</u>	<u>-</u>	<u>-</u>
	<u>(46,208)</u>	<u>(4,843)</u>	<u>-</u>	<u>-</u>

EFG FOOD & TECH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2018

26. EMPLOYEE BENEFITS

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £143,828 (2017: £65,315).

27. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows:

Financial assets that are debt instruments measured at amortised cost

	Group	
	2018	2017
	£	£
Financial assets that are debt instruments measured at amortised cost	<u>22,686,831</u>	<u>15,772,015</u>

Financial liabilities measured at amortised cost

	Group	
	2018	2017
	£	£
Financial liabilities measured at amortised cost	<u>45,264,318</u>	<u>36,829,278</u>

28. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>30,000</u>	<u>30,000.00</u>	<u>30,000</u>	<u>30,000.00</u>

29. RESERVES

Called up share capital - Represents the nominal value of shares that have been issued.

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Profit and loss account - This reserve records retained earnings and accumulated losses.

EFG FOOD & TECH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2018

30. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Not later than 1 year	1,415,440	1,616,764	–	–
Later than 1 year and not later than 5 years	5,132,396	1,247,158	–	–
Later than 5 years	565,881	679,072	–	–
	<u>7,113,717</u>	<u>3,542,994</u>	<u>–</u>	<u>–</u>

31. EVENTS AFTER THE END OF THE REPORTING PERIOD

The directors have chosen to sell the trade and assets of Masala Bazaar Limited after the year end.

32. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

During the year the directors entered into the following advances and credits with the company and its subsidiary undertakings:

	2018			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr S Hussain	634,563	141,085	(149,204)	626,444
Mr S Jabbar	341,666	886	(412)	342,140
Mr R Miah	349,599	6,661	(5,312)	350,948
	<u>1,325,828</u>	<u>148,632</u>	<u>(154,928)</u>	<u>1,319,532</u>

The loans are interest free and repayable on demand.

33. CONTROLLING PARTY

The ultimate controlling party is Mr S Hussain