

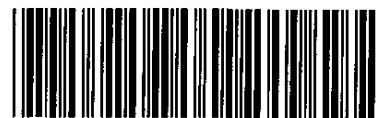
Registered number: 04543365

INVICTA FOOD GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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INVICTA FOOD GROUP LIMITED

COMPANY INFORMATION

Directors	D Hamada S Cheng C Norton
Group secretary	Clyde Secretaries Limited
Registered number	04543365
Registered office	130 Eureka Park Upper Pemberton Ashford Kent TN25 4AZ
Independent auditors	Ernst & Young LLP 400 Capability Green Luton LU1 3LU
Bank Details	JP Morgan 25 Bank street, Canary Wharf London, E14 5JP

INVICTA FOOD GROUP LIMITED

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INVICTA FOOD GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Introduction

The directors present their strategic report for the year ended 31 December 2016.

Business review

Invicta Food Group Limited (the "group"), domiciled in Ashford, is a private limited company, whereby 100% of the shares are held by BRF Invicta Limited, UK. The principal activity of the group is the sale of chilled and frozen meat and processed meat products to the markets of United Kingdom, Ireland, Sweden, France, Finland and Denmark.

The group is part of BRF - BRF S A, ("BRF"), a leading Brazilian food group with a global market presence which was founded in 1934. Currently, BRF is the world's largest exporter of poultry and the largest global proteins Group by market capitalization. The group on an international scale has several industrial units in Brazil and thirteen more overseas (Argentina, United Kingdom, UAE, Thailand and the Netherlands). BRF exports its products to 150 countries and has a product portfolio of more than 4,000 items (SKUs). This is distributed among meats, dairy products, margarines, pastas, frozen meals, frozen vegetables segments and others. BRF's shares are listed on the Sao Paulo Stock Exchange (BM&BOVESPA) and the New York Stock Exchange (NYSE) through a Level III ADR program. The Group is listed on the New Market (Novo Mercado), a segment reserved for companies adhering to the strictest level of corporate governance.

Currently, the group's operations are dependent on the support of its shareholder.

In terms of our key performance indicators we believe the following ratios to be relevant:

The group profit before Interest decreased by 72% to £1.8 million, when compared to £6.3 million in 2015, while the gross profit margin increased 40.1%, from 11.5% in 2015 to 72% in 2016 as a result of the restricting of the operations. Income before tax decreased to £1,783,917 compared with £6,298,033 in 2015.

On the 22 April 2015, BRF Invicta acquired Invicta Food Group Limited, through this acquisition, clients of the Group were absorbed by Invicta Food Products Limited. As a consequence of the business combination, during the year the turnover and cost of sales have decreased. The remaining revenues in the business represent agencies arrangements on behalf of other group companies.

Principal risks and uncertainties

The directors feel that there are no significant risks to the business above the normal trading risks. Uncertain factors are to the volatile exchange rates, world grain markets, for corn and soybeans could have a direct impact on the feeding costs for the livestock industry and consequently boost the in-nature chicken products costs, the main raw materials of our industry.

Liquidity Risk

The group manages its cash and borrowing requirements in order to maximize income and minimize interest expense, whilst at the same time ensuring the group has sufficient liquidity to meet the operating needs of the group

Credit Risk

The group operates a strict credit policy where all customers who wish to trade on credit terms are subjected to in-house and third party credit checks. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

INVICTA FOOD GROUP LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

Financial Position

The net current assets of the group have increased from £18,974,050 in December 2015 to £21,553,468 at year end 2016.

Shareholder's funds have increased from £19,895,276 at 31 December 2015 to £21,553,468 at 31 December 2016.

Financial key performance indicators

The group utilises a number of quantitative and qualitative indicators to monitor and improve the group's performance. The key measure relevant for this company and group is the revenue which has changed significantly during the year due to Invicta Food Products Limited (another group company) absorbing trade from this company during the year.

The group closely monitors customer pricing on a product by product basis to ensure adequate margins are maintained.

This report was approved by the board on 29 March 2018 and signed on its behalf.



C Norton
Director

INVICTA FOOD GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Directors

The directors who served during the year were:

C J Norton (appointed 24 September 2002)
R A Coelho (appointed 11 May 2015)
P De Andrade Faria (appointed 22 April 2015)
J Prendergast (appointed 24 September 2002)
R Banfi (appointed 22 April 2015)
C Norton (appointed 21 July 2011)
D Bliffi (appointed 21 July 2016, resigned 30 November 2016)
D M Rudeck (appointed 21 July 2016)
J L Perottoni (appointed 30 November 2016)
M J Wigman (appointed 30 November 2016)

The following directors resigned before the accounts were signed:

R Banfi (resigned 21 July 2016)
J Prendergast (resigned 21 July 2016)
P De Andrade Faria (resigned 21 July 2016)
R A Coelho (resigned 30 August 2017)
D M Rudeck (resigned 15 November 2017)
M J Wigman (resigned 15 November 2017)
J L Perottoni (resigned 15 November 2017)

The following directors were appointed after the year end but before the accounts were signed:

S Cheng (appointed 15 November 2017)
D Hamada (appointed 15 November 2017)

Results and dividends

The profit for the year, after taxation, amounted to £1,658,192 (2015 profit of £5,178,584).

Future developments

As a consequence of the business combination with Invicta Food Products, Invicta Food Group and its subsidiaries will be instrumental to BRF Group in expanding its business.

Going concern

The directors have prepared the accounts on a going concern basis, because BRF GmbH, a member of the same group providing treasury support and finance to all companies, has confirmed its intent to provide all necessary financial support for 12 months from the date of approval of these accounts.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the group's auditors are unaware, and

INVICTA FOOD GROUP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

- *the director has taken all the steps that ought to have been taken as a director to be aware of any relevant audit information and to establish that the group's auditors are aware of that information.*

Qualifying third party indemnity provisions

During the year the group had in force a qualifying indemnity provision in favour of its directors in respect of the proceedings brought by third parties subject to the conditions set out in the Companies Act.2006.


Post balance sheet events

There have been no significant events affecting the group since the year end.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 29 March 2018 and signed on its behalf.



C Norton
Director

INVICTA FOOD GROUP LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INVICTA FOOD GROUP LIMITED

We have audited the financial statements of Invicta Food Group Limited for the year ended 31 December 2016 which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Statement of Financial Position, the Group and Parent Company Statement of changes in equity and the related notes 1 to 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

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 2016 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Directors' Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INVICTA FOOD GROUP LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Ernst & Young LLP

Chris Nobbs (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Luton

29 March 2018

INVICTA FOOD GROUP LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Turnover	4	981,065	100,158,066
Cost of sales		(274,557)	(88,664,869)
Gross profit		706,508	11,493,197
Administrative expenses		(408,982)	(5,195,600)
Operating profit	5	297,526	6,297,597
Exceptional income and expenditure	12	1,477,677	3,177
Profit on ordinary activities before interest		1,775,203	6,300,774
Income from interests in associated undertakings		-	-
Interest receivable and similar income	9	8,855	8,415
Interest payable and similar charges	10	(141)	(11,156)
Profit on ordinary activities before taxation		1,783,917	6,298,033
Tax on profit	11	(125,725)	(1,119,449)
(Loss)/Profit for the year		<u>1,658,192</u>	<u>5,178,584</u>

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2016 (2015: £NIL).

The notes on pages 13 to 37 form part of these financial statements.

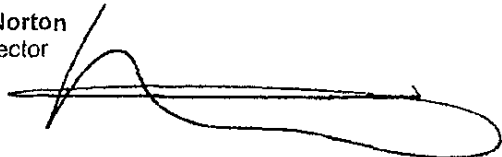
INVICTA FOOD GROUP LIMITED
REGISTERED NUMBER: 04543365

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	£	2016 £	2015 £
Fixed assets				
Tangible assets	13		-	921,226
			-	921,226
Current assets				
Debtors: amounts falling due within one year	18	441,606	5,691,623	
Cash at bank and in hand	19	32,699,781	16,765,975	
		33,141,405	22,457,598	
Creditors: amounts falling due within one year	19	(11,587,937)	(3,483,548)	
Net current assets			21,553,468	18,974,050
Total assets less current liabilities			21,553,468	19,895,276
Net assets			<u>21,553,468</u>	<u>19,895,276</u>
Capital and reserves				
Called up share capital	23	6,000,500		6,000,500
Other reserves	25	(5,800,000)		(5,800,000)
Profit and loss account	25	21,352,968		19,694,776
Shareholders' funds			<u>21,553,468</u>	<u>19,895,276</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 March 2018

C Norton
Director



The notes on pages 13 to 37 form part of these financial statements.

INVICTA FOOD GROUP LIMITED
REGISTERED NUMBER: 04543365

PARENT COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	13		-		921,226
Investment in associate	14		8,582,063		8,582,063
			<u>8,582,063</u>		<u>9,503,289</u>
Current assets					
Debtors: amounts falling due within one year	18	2,310,636		5,465,823	
Cash at bank and in hand	19	22,781		139,031	
		<u>2,333,417</u>		<u>5,604,854</u>	
Current liabilities					
Creditors: amounts falling due within one year	20	(4,838,126)		(9,047,975)	
		<u>(4,838,126)</u>		<u>(9,047,975)</u>	
Net current liabilities			<u>(2,504,709)</u>		<u>(3,443,121)</u>
Total assets less current liabilities			<u>6,077,354</u>		<u>6,060,168</u>
Net assets			<u><u>6,077,354</u></u>		<u><u>6,060,168</u></u>
Capital and reserves					
Called up share capital	23		6,000,500		6,000,500
Profit and loss account	25		76,854		59,668
Shareholders' funds			<u><u>6,077,354</u></u>		<u><u>6,060,168</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 March 2018.


C Norton
 Director

The notes on pages 13 to 37 form part of these financial statements.

INVICTA FOOD GROUP LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

Group	Called-up share capital	Other reserves	Profit and loss account	Share- holders Equity	Total equity
	£	£	£	£	£
At 1 January 2016	6,000,500	(5,800,000)	19,694,776	19,895,276	19,895,276
(Loss)/ Profit for the year	-	-	1,658,192	1,658,192	1,658,192
Total comprehensive income for the year	-	-	1,658,192	1,658,192	1,658,192
Minority shares purchase	-	-	-	-	-
Equity dividends paid	-	-	-	-	-
At 31 December 2016	6,000,500	(5,800,000)	21,352,968	21,553,468	21,553,468

Parent Company	Called-up share capital	Profit and loss account	Share- holders Equity
	£	£	£
At 1 January 2016	6,000,500	59,868	6,060,368
Profit for the year	-	17,186	17,186
Total comprehensive income for the year	-	17,186	17,186
Equity dividends paid	-	-	-
At 31 December 2016	6,000,500	76,864	6,077,354

INVICTA FOOD GROUP LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called-up share capital	Other reserves	Profit and loss account	Share- holders Equity	Non-controlli ng interest	Total equity
Group	£	£	£	£	£	£
At 1 January 2015	6,000,500	(5,800,000)	21,426,293	21,626,793	692,913	22,319,706
Profit for the year	-	-	5,178,584	5,178,584	-	5,178,584
Total comprehensive income for the year	-	-	5,178,584	5,178,584	-	5,178,584
Minority shares purchase	-	-	-	-	(692,913)	(692,913)
Equity dividends paid	-	-	(6,910,101)	(6,910,101)	-	(6,910,101)
At 31 December 2015	6,000,500	(5,800,000)	19,694,776	19,895,276	-	19,895,276
Parent Company	£		£	£		
At 1 January 2015	6,000,500		(632,897)	5,367,603		
Profit for the year	-		7,602,666	7,602,666		
Total comprehensive income for the year	-		7,602,666	7,602,666		
Equity dividends paid	-		(6,910,101)	(6,910,101)		
At 31 December 2015	6,000,500		59,663	6,060,163		

The notes on pages 13 to 37 form part of these financial statements.
There was no other comprehensive income in the year (2015: Nil).

INVICTA FOOD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

The principal activity of the group during the year was the sale of chilled and frozen meat and processed meat products.

The company is a private limited company, which is incorporated and registered in England and Wales (04543365). The address of the registered office is:

130 Eureka Park,
Upper Pemberton,
Ashford,
Kent,
TN25 4AZ

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The group has taken advantage of the exemption in FRS 102 of the need to prepare a cash flow statement as the results of the group are consolidated in BRF GmbH.

The immediate parent company is BRF Invicta Limited, a company registered in United Kingdom, and the ultimate parent company is BRF - Brasil Foods S.A., a company registered in Brazil.

The largest group in which the result of the group is consolidated is BRF - Brasil Foods S.A., available from www.brf-global.com.

INVICTA FOOD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The group has taken advantage of the exemption in FRS 102 of the need to prepare a cash flow statement as the results of the group are consolidated in BRF GmbH.

2.3 Going concern

The directors have prepared the accounts on a going concern basis, because BRF GmbH, a member of the same group providing treasury support and finance to all companies, has confirmed its intent to provide all necessary financial support for 12 months from the date of approval of these accounts.

2.4 Revenue

Turnover comprises net revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue is recognised when goods are dispatched and services rendered.

As the group has limited responsibility in arranging or mediating the provision of goods or services for another party, given to this nature, it is considered an agent. The revenue therefore recognised is the commission earned on the transactions as an agency basis.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary to be capable of operating in the manner intended by management.

INVICTA FOOD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following base:

Depreciation is provided on the following basis:

Long term leasehold property	- Over the term of the lease
Motor vehicles	- 25% straight line
Fixtures and fittings	- 25% straight line
Computer equipment	- 35% straight line

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less provision for impairment

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment. The Company has a debt factoring contract in place whereby the debt without recourse sold by the factoring entity to the Company for any non-payment of such debt resulting solely from an insolvency event of the applicable obligator or the financial inability of the obligor to pay such receivable on the maturity date.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets as loans and receivables.

INVICTA FOOD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.9 Financial instruments (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Profit and loss account. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance sheet.

2.10 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

INVICTA FOOD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.11 Foreign currency translation (continued)

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.12 Finance costs

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Operating leases:

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

2.14 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

2.15 Taxation

Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the group operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

INVICTA FOOD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.15 Taxation (continued)

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The group may be required to make estimates and assumptions concerning the future. These estimates and judgments are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The principal areas where judgment was exercised are as follows:

Tangible fixed assets (see note 13)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors.

Rebates

The group applies customer internal business agreements to provide for rebates in a strategic growth perspective and for strategic families of products.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities

INVICTA FOOD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

4. Turnover

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	906,887	18,681,775
Rest of Europe	74,178	80,378,164
	<u>981,065</u>	<u>99,059,939</u>

Rendering of services	-	1,098,127
	<u>981,065</u>	<u>100,158,066</u>

No revenue was derived from exchange of goods or services (2015: nil)

5. Operating profit

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

	2016 £	2015 £
Depreciation of tangible fixed assets	-	86,470
Auditors remuneration	84,000	73,000
Operating lease rentals	80,730	80,557
Difference on foreign exchange	-	1,356

In accordance with the exemptions allowed by Section 408 (4) of the Companies Act 2006 the company has not presented its own profit and loss account. Included in the consolidated profit for the financial year is a profit on ordinary activities after tax of £17,186 (2015: £7,602,666) in respect of the financial statements of the company.

INVICTA FOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. Auditors' remuneration

The group paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the group:

	2016 £	2015 £
Fees payable to the group's auditor and its associates for the audit of the group's annual accounts	84,000	73,000
	<u>84,000</u>	<u>73,000</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	-	1,612,694
Social security costs	10,837	228,829
Cost of defined contribution scheme	6,542	144,931
	<u>17,379</u>	<u>1,986,454</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Office and management	0	10
Sales and distribution	0	9
	<u>0</u>	<u>19</u>

INVICTA FOOD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

8. Directors' remuneration

Certain directors are also directors of the holding company and fellow subsidiaries. The directors do not believe that is practical to apportion remuneration between their services as directors of the company and their service as directors of the holding and fellow subsidiary companies.

	2016 £	2015 £
Directors' emoluments	-	806,753
Pension contributions	-	12,137
	<u>-</u>	<u>818,890</u>

Emoluments in respect of the highest paid director amounted to £nil (2015 - £448,250).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2015 - £NIL).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £NIL (2015 - £NIL).

9. Interest receivable and similar charges

	2016 £	2015 £
Bank interest receivable	8,855	8,415
	<u>8,855</u>	<u>8,415</u>

10. Interest payable and similar charges

	2016 £	2015 £
Other interest payable	141	11,156
	<u>141</u>	<u>11,156</u>

INVICTA FOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	22,054	1,125,401
Adjustments in respect of previous periods	63,919	-
	<u>85,973</u>	<u>1,125,401</u>
Total current tax	<u>85,973</u>	<u>1,125,401</u>
Deferred tax		
Origination and reversal of timing differences	447	(7,899)
Adjustments in respect of prior periods	39,305	1,947
Total deferred tax	<u>39,752</u>	<u>(5,952)</u>
Taxation on profit on ordinary activities	<u>125,725</u>	<u>(1,119,904)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 -lower than) the standard rate of corporation tax in the UK of 20.25% (2015 -21.49%). The differences are explained below:

	2016 £	2015 £
	<u>1,783,918</u>	<u>6,298,033</u>
Profit on ordinary activities before tax		
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2015 – 21.49%)	361,243	1,275,136
Effects of:		
Expenses not deductible for tax purposes	(339,473)	15,830
Capital allowances for year in excess of depreciation	-	1,193
Ineligible depreciation	-	-
Adjustments to tax charge in respect of previous periods	103,224	(166,758)
Ineligible depreciation	755	-
Differences due to deferred tax rate being lower than standard CT rate	(24)	-
Total tax charge for the year	<u>125,725</u>	<u>1,125,401</u>

INVICTA FOOD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Taxation (continued)

The July 2015 Budget announced that the standard rate of corporation tax would change from 20% to 19% with effect from 1 April 2017 and then from 19% to 18% with effect from 1 April 2020. These changes were substantively enacted on 26 October 2015 and therefore the deferred tax asset has been re-measured using the rates substantively enacted at 31 December 2015.

Subsequently the March 2016 Budget announced that the standard rate of corporation tax would instead be 17% with effect from 1 April 2020. This change was not substantively enacted at the balance sheet date.

12. Exceptional items

	2016 £	2015 £
(Loss) / Profit on sale of fixed assets	(20,945)	3,177
Foreign exchange gain as resulting of the large USD denominated cash balance held by the company	1,498,622	-
	<u>1,477,677</u>	<u>3,177</u>

During the year the company sold its leasehold property for a loss of £20,945k.

INVICTA FOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

13. Tangible Fixed assets

	Long Term Leasehold Property	Motor Vehicles	Fixtures and fittings	Computer equipment	Total
Group	£	£	£	£	£
Cost					
At 1 January 2016	974,275	-	-	-	974,275
Additions	-	-	-	-	-
Disposal	(974,275)	-	-	-	(974,275)
At 31 December 2016	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation					
At 1 January 2016	53,049	-	-	-	53,049
Charge for the year	-	-	-	-	-
Disposal	(53,049)	-	-	-	(53,049)
At 31 December 2016	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value					
At 1 January 2016	<u>921,226</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>921,226</u>
At 31 December 2016	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

INVICTA FOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

13. Tangible Fixed assets (continued)

	Long Term Leasehold Property	Motor Vehicles	Fixtures and fittings	Computer equipment	Total
Parent Company	£	£	£	£	£
Cost					
At 1 January 2016	974,275	-	-	-	974,275
Additions	-	-	-	-	-
Disposal	(974,275)	-	-	-	(974,275)
At 31 December 2016	-	-	-	-	-
Depreciation					
At 1 January 2016	53,049	-	-	-	53,049
Charge for the year	-	-	-	-	-
Disposal	(53,049)	-	-	-	(53,049)
At 31 December 2016	-	-	-	-	-
Net Book Value					
At 1 January 2016	921,226	-	-	-	921,226
At 31 December 2016	-	-	-	-	-

INVICTA FOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

14. Fixed asset investments

	Net Assets	Goodwill	Total
Group	£	£	£
Cost or Valuation			
At 1 January 2016	-	-	-
Disposal	-	-	-
At 31 December 2016	-	-	-
Impairment			
At 1 January 2016	-	-	-
Disposal	-	-	-
At 31 December 2016	-	-	-
Net Book Value			
At 1 January 2016	-	-	-
At 31 December 2016	-	-	-
	Net Assets	Goodwill	Total
Parent Company	£	£	£
Cost or Valuation			
At 1 January 2016	8,582,063	-	8,582,063
Addition	-	-	-
Disposal	-	-	-
At 31 December 2016	8,582,063	-	8,582,063
Net Book Value			
At 1 January 2016	8,582,063	-	8,582,063
At 31 December 2016	8,582,063	-	8,582,063

INVICTA FOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

15. Subsidiary undertakings

The following were subsidiary undertakings of the group: The registered address of all the above companies is 130 Eureka Park Upper Pemberton, Boughton Aluph, Ashford, Kent, TN25 4AZ.

Name	Country of incorporation	Class of shares	Holding	Principal activity
Invicta Foodservice Limited	England	Ordinary	100 %	Food service providers
Invicta Foods Limited	England	Ordinary	100 %	Wholesale food distribution
Abbotsfield Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Abercorn Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Academy Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Ackworth Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Activebright Services Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Addison Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Adelaide Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Adelphi Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Agincourt Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Agnes Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Aitken Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Ashcourt Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Avante Contracts Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Badsworth Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Bancroft Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Beaufort Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Benson Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Big Idea Solutions Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Bloomfield Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Bluetank Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Blundell Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Boundary Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Bridewell Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Bridge Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Broadbent Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Brompton Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Burlington Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Cantwell Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Capel Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Chalfont Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Chapman Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Chardmore Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Charfield Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Charlemont Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Circle Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Copperfield Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Craven Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Crofton Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Debut Systems Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Dorrington Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Ebury Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Eccleston Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Egerton Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products

INVICTA FOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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Eglinton Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Elswick Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Ensign Import Export Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Eurorose Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Everest Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Fabian Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Fareway Trading Company Ltd	England	Ordinary	100 %	Wholesale of meat and meat products
Featherstone Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Fieldstar Management Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Finstock Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Fircroft Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Flaxton Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Fonthill Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Fortfield Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Fullerton Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Furley Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Gable Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Gadsbury Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Gallery Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Garfield Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Genside Services Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Gertrude Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Glenavy Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Greenman Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Greychief Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Highfield Services Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Highlife Consultants Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Holmwood Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Horatio Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Hurstwood Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Jackman Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Jaggard Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Janson Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Jarman Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Jasper Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Jepson Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Jetline UK Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Jodrell Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Juniper Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Justin Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Jutland Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Kellerton Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Kemble Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Kemsing Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Kenbury Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Keslake Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Kingscross Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Kitchener Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Liddon Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Longstone Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Mayfield Trading Company Ltd	England	Ordinary	100 %	Wholesale of meat and meat products
Milverton Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Mintern Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Neat Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products

INVICTA FOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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Needham Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Nellgrove Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Netherwood Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Nettlefold Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Oakdale Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Octavia Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Ogden Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Otford Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Padley Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Pageant Marketing Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Panoramic Import Export Ltd	England	Ordinary	100 %	Wholesale of meat and meat products
Pennington Import Export Ltd	England	Ordinary	100 %	Wholesale of meat and meat products
Pierpoint Services Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Pointbreak Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Quadrant Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Queenswood Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Ranstone Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Rathdown Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Redtrack Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Wainsfort Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products
Wharf Foods Limited	England	Ordinary	100 %	Wholesale of meat and meat products

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings was as follows:

16. Fixed assets investments

	Aggregate of share capital and reserves £	Profit/ (loss) £
Subsidiaries	21,455,962	1,668,911
	<u>21,455,962</u>	<u>1,668,911</u>

17. Stocks

	2016 £	2015 £
Finished goods	=	.

The difference between the carrying value of stock and its replacement cost is not material.
The amount of stock recognised in cost of sales during the year was £nil (2015: £ 88,664,869).

INVICTA FOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

18. Debtors

	Group		Parent Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	105,231	957,518	62,000	20,945
Amounts owed by group undertakings	-	4,073,028	1,977,392	5,292,261
Other debtors	158,398	508,460	160,930	-
Prepayments and accrued income	103,231	107,726	135	107,726
Deferred tax asset	5,139	44,891	108,234	44,891
Other taxes and social security	69,607	-	1,945	-
	441,606	5,691,623	2,310,636	5,465,823

Amounts owed by group undertakings and unsecured and payable on demand.

19. Cash and cash equivalents

	Group		Parent Company	
	2016	2015	2016	2015
	£	£	£	£
Cash at bank and in hand	32,699,781	16,765,975	22,781	139,031
	32,699,781	16,765,975	22,781	139,031

20. Creditors: Amounts falling due within one year

	Group		Parent Company	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	2,702,406	2,145,542	99,816	122,089
Amounts owed to group undertakings	7,660,580	-	4,304,713	8,313,884
Corporation tax	802,905	717,373	12,169	-
Other taxation and social security	-	33,731	-	25,220
Other creditors	422,046	386,584	421,428	386,464
Accruals and deferred income	-	200,318	-	200,318
	11,587,937	3,483,548	4,838,126	9,047,975

Amounts owed to group undertakings are unsecured and payable on demand.

INVICTA FOOD GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

21.

Financial Instruments

	Group		Parent Company	
	2016	2015	2016	2015
	£	£	£	£
Financial Assets				
Cash	32,699,781	16,765,975	22,781	139,031
<i>Financial assets that are debt instruments measured at amortised cost</i>				
Trade debtors	105,231	957,518	62,000	20,945
Amounts owed by group undertakings	-	4,073,028	1,977,392	5,292,261
Other debtors	158,398	508,460	160,930	-
	32,963,410	22,304,981	2,223,103	5,452,237
Financial Liabilities	2016	2015	2016	2015
	£	£	£	£
<i>Financial liabilities measured at amortised cost</i>				
Trade creditors	2,702,406	2,145,542	99,815	122,089
Amounts owed to group undertakings	7,660,580	-	4,304,713	8,313,885
Other creditors	422,046	386,585	421,428	386,464
	10,785,032	2,532,127	4,825,957	8,822,438

22. **Deferred taxation**

	Group		Parent company	
	2016	2015	2016	2015
	£	£	£	£
At 1 January 2016	44,891	38,939	44,891	38,939
Released during the year	(39,752)	5,952	(39,752)	5,952
At 31 December 2016	5,139	44,891	5,139	44,891

The deferred tax asset is made up as follows:

Accelerated capital allowances	<u>5,139</u>	<u>44,891</u>	<u>5,139</u>	<u>44,891</u>
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INVICTA FOOD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

23. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
6,000,500- Ordinary shares of £1 each	6,000,500	6,000,500

24. Contingent Liabilities and S479A Companies Act 2006 exemption

The Company has provided a guarantee in respect of the outstanding liabilities of the subsidiary companies listed below in accordance with sections 479A – 479C of the Companies ACT 2006, as these UK subsidiary companies of the Group are exempt from the requirements of the Companies Act 2006 relating to the audit of the accounts by virtue of Section 479A of this Act.

Abbotsfield Foods Limited	registered number: 6299007
Abercorn Foods Limited	registered number: 6299005
Academy Foods Limited	registered number: 6299008
Ackworth Foods Limited	registered number: 6299010
Activebright Services Limited	registered number: 5269979
Addison Foods Limited	registered number: 6299011
Adelaide Foods Limited	registered number: 6299016
Adelphi Foods Limited	registered number: 6299013
Agincourt Foods Limited	registered number: 6299022
Agnes Foods Limited	registered number: 6299080
Aitken Foods Limited	registered number: 5514178
Ashcourt Foods Limited	registered number: 5500692
Avante Contracts Limited	registered number: 3245635
Badsworth Foods Limited	registered number: 6374134
Bancroft Foods Limited	registered number: 6374152
Beaufort Foods Limited	registered number: 6374094
Benson Foods Limited	registered number: 5513950
Big Idea Solutions Limited	registered number: 4818617
Bloomfield Foods Limited	registered number: 5604128
Bluetank Limited	registered number: 4848002
Blundell Foods Limited	registered number: 6373954
Boundary Foods Limited	registered number: 6374118
Bridewell Foods Limited	registered number: 6374121
Bridge Foods Limited	registered number: 5500883
Broadbent Foods Limited	registered number: 5564231
Brompton Foods Limited	registered number: 6374128

INVICTA FOOD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Contingent Liabilities and S479A Companies Act 2006 exemption (continued)

Burlington Foods Limited	registered number: 6374162
Cantwell Foods Limited	registered number: 6414353
Capel Foods Limited	registered number: 5588471
Chalfont Foods Limited	registered number: 6414387
Chapman Foods Limited	registered number: 6414372
Chardmore Foods Limited	registered number: 6414562
Charfield Foods Limited	registered number: 6414550
Charlemont Foods Limited	registered number: 5588472
Circle Foods Limited	registered number: 5500680
Copperfield Foods Limited	registered number: 6414621
Craven Foods Limited	registered number: 6414742
Crofton Foods Limited	registered number: 6414746
Debut Systems Limited	registered number: 4723361
Dorrington Foods Limited	registered number: 6958024
Ebury Foods Limited	registered number: 7039469
Eccleston Foods Limited	registered number: 7039678
Egerton Foods Limited	registered number: 7039458
Eglinton Foods Limited	registered number: 7057975
Elswick Foods Limited	registered number: 7058387
Ensign Import Export Limited	registered number: 3126022
Eurorose Limited	registered number: 3162012
Everest Foods Limited	registered number: 5500749
Fabian Foods Limited	registered number: 9366066
Fareway Trading Company Limited	registered number: 3129270
Featherstone Foods Limited	registered number: 7229442
Fieldstar Management Limited	registered number: 4818594
Finstock Foods Limited	registered number: 7229459
Fircroft Foods Limited	registered number: 7229395
Flaxton Foods Limited	registered number: 7229437
Fonthill Foods Limited	registered number: 7229365
Fortfield Foods Limited	registered number: 5551868
Fullerton Foods Limited	registered number: 7229436
Furley Foods Limited	registered number: 7229446
Gable Foods Limited	registered number: 7268305
Gadsbury Foods Limited	registered number: 7268302
Gallery Foods Limited	registered number: 7268298
Garfield Foods Limited	registered number: 7268360
Genside Services Limited	registered number: 5285112
Gertrude Foods Limited	registered number: 7268283

INVICTA FOOD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Contingent Liabilities and S479A Companies Act 2006 exemption (continued)

Glenavy Foods Limited	registered number: 5536763
Greenman Limited	registered number: 3191094
Greychief Limited	registered number: 4848533
Highfield Services Limited	registered number: 4818783
Highlife Consultants Limited	registered number: 4818593
Holmwood Foods Limited	registered number: 7323805
Horatio Foods Limited	registered number: 7323819
Hurstwood Foods Limited	registered number: 7323786
Jackman Foods Limited	registered number: 7342876
Jaggard Foods Limited	registered number: 7342880
Janson Foods Limited	registered number: 7342959
Jarman Foods Limited	registered number: 7342871
Jasper Foods Limited	registered number: 7342882
Jepson Foods Limited	registered number: 7342788
Jetline UK Limited	registered number: 4587607
Jodrell Foods Limited	registered number: 7342962
Juniper Foods Limited	registered number: 7342789
Justin Foods Limited	registered number: 7342844
Jutland Foods Limited	registered number: 7342891
Kellerton Foods Limited	registered number: 7377565
Kemble Foods Limited	registered number: 7377569
Kemsing Foods Limited	registered number: 5564421
Kenbury Foods Limited	registered number: 7377544
Keslake Foods Limited	registered number: 7377556
Kingscross Limited	registered number: 3162016
Kitchener Foods Limited	registered number: 7377578
Liddon Foods Limited	registered number: 7961983
Longstone Foods Limited	registered number: 7961980
Mayfield Trading Company Limited	registered number: 3248973
Milverton Foods Limited	registered number: 8091414
Mintern Foods Limited	registered number: 8091159
Neat Foods Limited	registered number: 6414931
Needham Foods Limited	registered number: 8168163
Neligrove Foods Limited	registered number: 8168129
Netherwood Foods Limited	registered number: 8168109
Nettlefold Foods Limited	registered number: 8168133
Oakdale Foods Limited	registered number: 8265530
Octavia Foods Limited	registered number: 8265533
Ogden Foods Limited	registered number: 8265486

INVICTA FOOD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Contingent Liabilities and S479A Companies Act 2006 exemption (continued)

Oxford Foods Limited	registered number: 8265429
Padley Limited	registered number: 3429573
Pageant Marketing Limited	registered number: 3429598
Panoramic Import Export Limited	registered number: 3405349
Pennington Import Export Limited	registered number: 3445219
Pierpoint Services Limited	registered number: 3390057
Pointbreak Limited	registered number: 3479071
Quadrant Foods Limited	registered number: 8412729
Queenswood Foods Limited	registered number: 8413124
Ranstone Foods Limited	registered number: 8964084
Rathdown Foods Limited	registered number: 8964095
Redtrack Limited	registered number: 4848197
Wainsfort Foods Limited	registered number: 5551869
Wharf Foods Limited	registered number: 5500454
Invicta Foods Limited	registered number: 2645446
Invicta Foodservice Limited	registered number: 3491330

25. Reserves

Share premium

Share premium represents amounts received for issue of shares in excess of nominal value.

Other reserves

Other reserves related to a capital contribution reserve.

Profit and loss account

Profit and loss account represents accumulated reserves to date.

26. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £Nil (2015 £110,971).

INVICTA FOOD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

27. Commitments under operating leases

At 31 December 2016, the group had future minimum lease payments under non-cancellable operating leases as follows:

	Lands and buildings	
	2016 £	2015 £
After more 5 years	70,000	70,000
	<u>70,000</u>	<u>70,000</u>
Other		
	2016 £	2015 £
Not later than 1 year	10,730	8,185
	<u>10,730</u>	<u>8,185</u>

INVICTA FOOD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

28. Related party transactions

The company, has taken advantage of the exemptions available to it under section 33.1A of FRS 102 'Related Party Disclosures' not to disclose transactions with other wholly owned group undertakings.

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 December 2016 with other related parties, are as follows:

	Sales to relate party	Purchases from related party	Amounts owned by related party	Amounts owed to related party
	£	£	£	£
Related parties	-	-	-	7,660,580

The Company has not provided or benefited from any guarantees for any related party receivables or payables. During the period ended 31 December 2016, the Company has not made any provision for doubtful debts relating to amounts owed by related parties.

29. Controlling party

The immediate parent company is BRF Invicta Limited, a company registered in United Kingdom, and the ultimate parent company is BRF - Brasil Foods S.A., a company registered in Brazil.

The largest group in which the result of the group is consolidated is BRF - Brasil Foods S.A.. available from www.brf-global.com.