

East End Foods Holdings Limited

Annual report and consolidated financial statements
for the year ended 30 April 2019

Registered number: 07812840



East End Foods Holdings Limited

Annual report and consolidated financial statements for the year ended 30 April 2019

Contents

	Page
Directors and advisors	1
Strategic report for the year ended 30 April 2019.....	2
Directors' report for the year ended 30 April 2019.....	3
Independent auditors' report to the members of East End Foods Holdings Limited	6
Consolidated Statement of Comprehensive Income for the year ended 30 April 2019	6
Consolidated Statement of Financial Position as at 30 April 2019.....	10
Company Statement of Financial Position as at 30 April 2019	11
Consolidated Cash Flow Statement for the year ended 30 April 2019.....	12
Consolidated Statement of Changes in Equity for the year ended 30 April 2019	13
Company Statement of Changes in Equity for the year ended 30 April 2019	13
Notes to the consolidated financial statements for the year ended 30 April 2019	15

East End Foods Holdings Limited

Directors and advisors

Directors

Jeremy Stuart Hudson (appointed 25 November 2019)
Rohit Samani (appointed 25 November 2019)
Umesh Parmar (appointed 16 January 2020)
Kuldip Singh Wouhra (resigned 26 November 2019)
Devender Singh Wouhra (resigned 26 November 2019)
Jasbir Singh Wouhra (resigned 26 November 2019)
Gurdashan Singh Wouhra (resigned 26 November 2019)
Jitendra Singh Wouhra (resigned 26 November 2019)

Registered office

East End House
Kenrick Way
West Bromwich
West Midlands
B71 4EA

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Chamberlain Square
Birmingham
B3 3AX

Bankers

HSBC Bank Limited
328 High Street
West Bromwich
West Midlands
B70 8DJ

Barclays Bank Limited
15 Colmore Row
Birmingham
B3 2BH

Credit Suisse (UK) Limited
5 Cabot Square
Canary Wharf
London
E14 4QR

Solicitors

Shakespeare Martineau LLP
No.1 Colmore Square
Birmingham
B4 6AA

Registered number

07812840

East End Foods Holdings Limited

Strategic report for the year ended 30 April 2019

The directors have pleasure in presenting their Strategic report for the year ended 30 April 2019.

Principal activities

The company's principal activity is that of a Holding company. The principal activity of the group is that of wholesale provision merchants and cash and carry operators.

Business review

The business has continued to grow during the year and the directors expect this to continue. There was a profit after taxation for the financial year amounting to £12,649,251 (2018: £7,466,962).

Principal Risks and Uncertainties

The group has an established, structured approach to risk management. The group's activities expose it to a variety of risks and uncertainties including the effects of market changes, credit, liquidity, cash flow, interest rate risk and foreign exchange risks. The group has adopted risk management policies that seek to mitigate these risks in a cost effective manner. These are detailed further in the Directors' report.

In June 2016, the United Kingdom voted to leave the European Union. Currently there is continued uncertainty in the market around the United Kingdom's exit. The group makes sales into the European Union. It is unknown what the impact of the exit will have on the group and the Directors continue to monitor this.

Financial Key Performance Indicators

The directors monitor the following key performance indicators; turnover, gross profit margin and net profit. The group's turnover has increased by 7.26% to £205.35m (2018: £191.4m). Gross margin has increased from 12.70% to 14.79% with the total gross profit amounting to £30.37m (2018: £24.30m). Profit for the financial year had increased from 3.90% to 6.16% with the total profit after taxation amounting to £12.65m (2018: £7.47m).

The group continues to invest in key areas of the business, notably quality control, environment issues, IT and credit management.

The report has been approved by the board and signed on its behalf by:

On behalf of the board



Umesh Parmar

Director

31 January 2020

East End Foods Holdings Limited

Directors' report for the year ended 30 April 2019

The directors present their report and the audited consolidated financial statements for the year ended 30 April 2019.

Future developments

The directors aim to maintain management policies which have resulted in the group's substantial growth in recent years. They consider the growth to continue through greater efficiency and new product development.

Results and dividends

The profit after taxation for the financial year, amounted to £12,649,251 (2018: £7,466,962). £2,000,000 (2018: £nil) dividends were paid during the year.

Directors

The directors who served during the year and up to the date of signing of the financial statements are set out below:

Jeremy Stuart Hudson (appointed 25 November 2019)
Rohit Samani (appointed 25 November 2019)
Umesh Parmar (appointed 16 January 2020)
Kuldip Singh Wouhra (resigned 26 November 2019)
Devender Singh Wouhra (resigned 26 November 2019)
Jasbir Singh Wouhra (resigned 26 November 2019)
Gurdashan Singh Wouhra (resigned 26 November 2019)
Jitendra Singh Wouhra (resigned 26 November 2019)

Financial risk management objectives and policies

The group uses various financial instruments. These include directors' loan accounts, cash and various items, such as trade debtors and trade creditors that arise directly from its operations as well as foreign exchange forward contracts. The main purpose of these financial instruments is to raise finance for the group's operations. The existence of these financial instruments exposes the group to a number of financial risks, which are described in more detail below.

All transactions in derivatives are undertaken to manage the risks arising from underlying business activities and no transactions of a speculative nature are undertaken. The main risks arising from the group's financial instruments are market risks. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous years.

Market risk

Market risk encompasses various types of risk, being currency risk, price risk, liquidity risk and credit risk. The group's policies for managing these are:

Currency risk

The group is exposed to translation and transaction foreign exchange risk. In relation to foreign exchange risk the group has access to a forward exchange contract facility and minimises this risk by balancing its currency assets and liabilities wherever possible.

Price risk

The group's exposure to price risk consists mainly of movements in the value of commodities. The directors keep under review the price fluctuations and agree quarterly prices in advance with customers and suppliers.

East End Foods Holdings Limited

Directors' report for the year ended 30 April 2019 (continued)

Liquidity risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved by overdraft facilities.

Credit risk

The group's principal financial assets are trade debtors and cash. The principal credit risk arises therefore from its trade debtors. In order to manage credit risk, the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

Qualifying third party indemnity provisions

The directors have the benefit of indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last and current financial year and at the date of approval of the financial statements.

Employees

The group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the group is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the group plays a major role in maintaining its current financial position. The group encourages the involvement of employee's by means of both formal and informal communication and ad hoc meetings as and when necessary.

The group is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status.

Disabled Employees

The group gives full consideration to applications for employment from disabled persons where they would be able to adequately fulfil the requirements of the job. Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Charitable Donations

During the year, the group has contributed £100,000 (2018 £50,000) to Wouhra Family Foundation.

Post Balance Sheet Events:

On 14 September 2019 the shareholders of East End Foods Holdings Limited entered into a sale and purchase agreement to sell the entire issued share capital of East Ends Foods Holdings Limited. The sale completed on 26 November 2019 as a result of the acquisition, the company is now subject to new financing arrangements organised by the acquirer, which include cross guarantees for banking arrangements of the acquiring group. As part of the Directors assessment of going concern, identified within note 3 of the accounts, they have made enquiries of the new owners in respect of these guarantees and consider that, based on the responses received, the company will have sufficient resources available to meet its liabilities as they fall due for the foreseeable future.

East End Foods Holdings Limited

Directors' report for the year ended 30 April 2019 (continued)

Directors' responsibilities statement

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

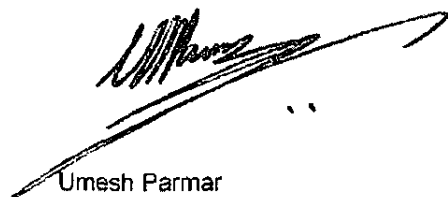
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

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

On behalf of the board



Umesh Parmar

Director

31 January 2020

East End Foods Holdings Limited

Independent auditors' report to the members of East End Foods Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, East End Foods Holdings Limited's group financial statements and parent company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2019 and of the group's profit and cash flows for the 12 month period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and consolidated financial statements (the "Annual Report"), which comprise: the group and parent company statements of financial position as at 30 April 2019; Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Cash Flow Statement, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity for the 12 month period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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 and 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and parent company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

East End Foods Holdings Limited

Independent auditors' report to the members of East End Foods Holdings Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 30 April 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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

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

Use of this report

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

East End Foods Holdings Limited

Independent auditors' report to the members of East End Foods Holdings Limited (continued)

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Neil Philpott (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

31 January 2020

East End Foods Holdings Limited

Consolidated Statement of Comprehensive Income for the year ended 30 April 2019

		2019	2018
	Note	£	£
Turnover	4	205,351,666	191,445,828
Cost of sales		(174,980,160)	(167,140,837)
Gross profit		30,371,506	24,304,991
Distribution costs		(6,349,462)	(6,215,406)
Administrative expenses		(8,733,249)	(8,466,671)
Other operating income		33,800	56,919
Operating profit	5	15,322,595	9,679,833
Interest receivable and similar income	7	595,146	69,214
Interest payable and similar expenses	8	(265,364)	(360,366)
Profit before taxation		15,652,377	9,388,681
Tax on profit	9	(3,003,126)	(1,921,719)
Profit for the financial year		12,649,251	7,466,962

All of the activities of the group are classified as continuing.

The group has no other comprehensive income other than the profits for the financial years as set out above.

The accounting policies and the notes on pages 15 to 34 form part of these financial statements.

East End Foods Holdings Limited

Consolidated Statement of Financial Position as at 30 April 2019

		2019	2018
	Note	£	£
Fixed assets			
Intangible assets	10	23,338	24,567
Investment properties	11	6,043,837	369,506
Tangible assets	12	21,191,106	22,488,954
Investments	13	783,016	1,687,401
		28,041,297	24,570,428
Current assets			
Stocks	14	24,936,831	22,451,336
Debtors	15	7,630,878	8,306,405
Cash at bank and in hand		26,171,285	18,824,955
		58,738,994	49,582,696
Creditors: amounts falling due within one year	16	(30,155,284)	(28,163,236)
Net current assets		28,583,730	21,419,460
Total assets less current liabilities		56,625,027	45,989,888
Creditors: amounts falling due after more than one year	17	(242,920)	(257,032)
Net assets		56,382,107	45,732,856
Capital and reserves			
Called up share capital	21	200,000	200,000
Profit and loss account		56,182,107	45,532,856
Total shareholders' funds		56,382,107	45,732,856

The accounting policies and the notes on pages 15 to 34 form part of these financial statements.
These financial statements on pages 9 to 34 were approved by the directors and authorised for issue on 31 January 2020 and are signed on their behalf by:


Umesh Parmar

Director

Registered Number: 07812840

East End Foods Holdings Limited

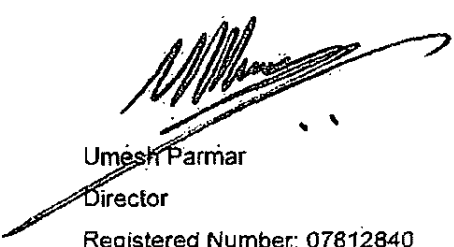
Company Statement of Financial Position as at 30 April 2019

		2019	2018
	Note	£	£
Fixed assets			
Investment Properties	11	6,043,837	369,506
Investments	13	924,572	1,808,456
		6,968,409	2,177,962
Current Assets			
Debtors	15	16,379,418	16,359,698
Cash at bank and in hand		3,877,919	57,847
		20,257,337	16,417,545
Creditors: amounts falling due within one year	16	(611,736)	(140,504)
Net current assets		19,645,601	16,277,041
Total assets less current liabilities		26,614,010	18,455,003
Net assets		26,614,010	18,455,003
Capital and reserves			
Called up share capital	21	200,000	200,000
Profit and loss account		26,414,010	18,255,003
Total shareholders' funds		26,614,010	18,455,003

The company's profit for the year was £10,159,007 (2018: £10,128,595).

The accounting policies and the notes on pages 15 to 34 form part of these financial statements.

These financial statements on pages 9 to 34 were approved by the directors and authorised for issue on 31 January 2020 and are signed on their behalf by:


Umesh Parmar
Director

Registered Number: 07812840

East End Foods Holdings Limited

Consolidated Cash Flow Statement for the year ended 30 April 2019

	2019 £	2018 £
Cash flows from operating activities		
Operating profit	15,322,595	9,679,834
<i>Adjustments for:</i>		
Depreciation of tangible assets	1,616,232	1,480,112
Amortisation of intangible assets	1,229	1,229
(Gain) / Loss on disposal of tangible assets	12,373	(181,806)
Amortisation of grant	(36,666)	(36,666)
<i>Changes in:</i>		
Stocks	(2,485,495)	(2,455,601)
Trade and other debtors	675,528	1,081,329
Trade and other creditors	1,384,267	435,744
Cash generated from/(used in) operations	16,490,063	10,004,175
Interest received	595,146	69,217
Interest paid	(265,364)	(360,366)
Tax paid	(1,558,249)	(1,804,187)
Net cash generated from operating activities	15,261,596	7,617,689
Cash flows from investing activities		
Purchase of tangible assets	(346,687)	(690,951)
Purchase of investment property	(5,674,331)	-
Purchase of investments	-	(600,066)
Disposal of investments	1,628,957	306,449
Proceeds from sale of tangible assets	17,400	971,942
Disposal of fixed asset investment	(1,470)	-
Net cash used in investing activities	(4,376,131)	(12,626)
Cash flows from financing activities		
Advance / (Repayment) of borrowings	(814,561)	(610,726)
Dividends paid	(2,000,000)	-
Net cash generated from/(used in) financing activities	(2,814,561)	(610,726)
Net increase in cash and cash equivalents	7,346,331	7,285,298
Cash and cash equivalents at beginning of year	18,824,955	11,539,657
Cash and cash equivalents at end of year	26,171,286	18,824,955

The accounting policies and the notes on pages 15 to 34 form part of these financial statements.

East End Foods Holdings Limited

Consolidated Statement of Changes in Equity for the year ended 30 April 2019

	Called up Share Capital	Profit and loss account	Total shareholders' funds
	£	£	£
Balance as at 1 May 2018	200,000	45,532,856	45,732,856
Profit for the financial year	-	12,649,251	12,649,251
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year		12,649,251	12,649,251
Dividends	-	(2,000,000)	(2,000,000)
Total transactions with owners, recognised directly in equity	-	(2,000,000)	(2,000,000)
Balance as at 30 April 2019	200,000	56,182,107	56,382,107

	Called up Share Capital	Profit and loss account	Total shareholders' funds
	£	£	£
Balance as at 1 May 2017	200,000	38,065,894	38,265,894
Profit for the financial year	-	7,466,962	7,466,962
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	7,466,962	7,466,962
Dividends	-	-	-
Total transactions with owners, recognised directly in equity	-	-	-
Balance as at 30 April 2018	200,000	45,532,856	45,732,856

The accounting policies and the notes on pages 14 to 33 form part of these financial statements.

East End Foods Holdings Limited

Company Statement of Changes in Equity for the year ended 30 April 2018

	Called up Share Capital	Profit and loss account	Total shareholders' funds
	£	£	£
Balance as at 1 May 2018	200,000	18,255,003	18,455,003
Profit for the financial year	-	10,159,007	10,159,007
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	10,159,007	10,159,007
Dividends	-	(2,000,000)	(2,000,000)
Total transactions with owners, recognised directly in equity	-	(2,000,000)	(2,000,000)
Balance as at 30 April 2019	200,000	26,414,010	26,614,010

	Called up Share Capital	Profit and loss account	Total shareholders' funds
	£	£	£
Balance as at 1 May 2017	200,000	8,126,408	8,326,408
Profit for the financial year	-	10,128,595	10,128,595
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	10,128,595	10,128,595
Dividends	-	-	-
Total transactions with owners, recognised directly in equity	-	-	-
Balance as at 30 April 2018	200,000	18,255,003	18,455,003

The accounting policies and the notes on pages 14 to 33 form part of these financial statements.

East End Foods Holdings Limited

Notes to the consolidated financial statements for the year ended 30 April 2019

1 General Information

East End Foods Holdings Limited is a private limited company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the directors and advisors page and the nature of the company's operations and its principal activities are set out in the Strategic Report.

2 Statement of compliance

The consolidated financial statements of East End Foods Holdings Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102. "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS102") and the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. These financial statements have been prepared under FRS102.

Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards.

The principal accounting policies of the company have been applied consistently with the prior years.

Going concern

On 14 September 2019 the shareholders of East End Foods Holdings Limited entered into a sale and purchase agreement to sell the entire issued share capital of East Ends Foods Holdings Limited. The sale completed on 26 November 2019 as a result of the acquisition, the company is now subject to new financing arrangements organised by the acquirer, which include cross guarantees for banking arrangements of the acquiring group. As part of the Directors assessment of going concern, identified within note 3 of the accounts, they have made enquiries of the new owners in respect of these guarantees and consider that, based on the responses received, the company will have sufficient resources available to meet its liabilities as they fall due for the foreseeable future.

Company disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS102:

- a) No cash flow statement has been presented for the company.
- b) Disclosures in respect of financial instruments for the company have not been presented.

East End Foods Holdings Limited

Notes to the consolidated financial statements for the year ended 30 April 2019

3 Summary of significant accounting policies (continued)

- c) No disclosure has been given for the aggregate remuneration of the key management personnel.

Subsidiary company audit exemption

For the period ending 30 April 2019, East End Foods Properties Limited (Registered number: 07813491) was entitled to exemption for audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Consolidation

The financial statements consolidate the financial statements of East End Foods Holdings Limited and all of its subsidiary undertakings.

The parent company has applied the exemption in Section 408 of the Companies Act 2006 and has not presented its individual statement of comprehensive income.

Turnover recognition

Turnover is measured at fair value of the consideration received or receivable and represents the amount received for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes. The company recognises revenue when a) the significant risk and rewards of ownership have been transferred to the buyer and b) when the specific criteria relating to the each of the sales channels have been met as described below

Sale of goods - Wholesale of East End Foods brand goods

The group buys materials from around the world which it cleans, grinds and packs under an East End Foods label to be sold to the retailers. The sale of goods is recognised on delivery to the retailers and their acceptance.

The sale is normally on credit terms which if different for each customer.

Sale of goods - Cash & Carry

The group operates a number of cash and carries. The sales of goods are recognised at the time of the sale and collection by the customer.

Other operating income

The group hires out car park facilities at its Kenrick Way warehouse. This is recognised as incurred.

Tangible fixed assets and depreciation

Tangible fixed assets are shown at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land by the reducing balance method over their expected useful lives. The rates generally applicable are:

Freehold property	-	4% reducing balance
Long leasehold property	-	4% reducing balance
Plant and machinery	-	15% reducing balance
Motor vehicles	-	25% reducing balance

East End Foods Holdings Limited

Notes to the consolidated financial statements for the year ended 30 April 2019

3 Summary of significant accounting policies (continued)

Intangible fixed assets

Intangible assets are stated at cost less amortisation and consist of patents and trademarks acquired. Amortisation is provided on a straight line basis at rates which are estimated to write off the intangible asset over its useful life.

Patents & trademarks - 4% straight line balance

Investment properties

Investment properties whose fair value can be measured reliably are stated at fair value. Changes in fair value at each reporting date are recognised in the statement of comprehensive income.

Investments

The group holds investments in the form of cash investments and publicly available stock exchange shares. The listed shares are measured at fair value with changes in the fair value recognised in the profit or loss account.

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. In general, cost is determined on a first in first out basis. Net realisable value is based on estimated selling prices less any further costs expected to be incurred.

Taxation

Corporation tax payable is provided on taxable profits at the current rate. Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Foreign currency

Transactions in foreign currencies are translated at the exchange rate ruling at the date of transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included in the profit and loss account.

Operating Leases

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

Pension scheme

The group operates two defined contribution pension schemes. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the schemes.

East End Foods Holdings Limited

Notes to the consolidated financial statements for the year ended 30 April 2019

3 Summary of significant accounting policies (continued)

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

Government grants of a revenue nature are credited to the statement of comprehensive income in the same period as the related expenditure.

Financial Instruments

Derivatives such as forward foreign exchange contracts are initially recognised at fair value on the date the derivative contract is entered into and are subsequently measured at their fair value. Changes in the fair value of derivatives are recognised in the statement of comprehensive income in finance income or finance costs as appropriate.

Judgements and estimates

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the entity's accounting policies

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below:

Useful economic lives of tangible fixed assets

The useful economic lives and residual values of tangible fixed assets are estimated based on economic utilisation and physical condition of the assets and are amended when necessary resulting in changes to the annual depreciation charge. The directors consider that the useful economic lives and residual values are appropriate.

Inventory provisioning

The group imports goods which then are packed under East End Foods brand as a result it is necessary to consider the recoverability of the costs of inventory and associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions and anticipated saleability of finished goods and future usage of goods.

Impairment of debtors

The group makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

East End Foods Holdings Limited

Notes to the consolidated financial statements for the year ended 30 April 2019

4 Turnover

The turnover is attributed to the wholesale distribution of food.

An analysis of turnover by geographical market is included below. All sales originate in the UK. The principal activities of the group and their respective contributions to turnover for the financial year are allocated by destination of output were:

2019	Turnover £
Wholesale distribution of food	
United Kingdom	199,720,191
Rest of the world	138,280
Rest of Europe	5,493,195
	205,351,666
<hr/>	
2018	Turnover £
Wholesale distribution of food	
United Kingdom	186,658,924
Rest of the world	308,418
Rest of Europe	4,478,486
	191,445,828

East End Foods Holdings Limited

Notes to the consolidated financial statements for the year ended 30 April 2019 (continued)

5 Operating profit

Operating profit is stated after charging/(crediting):

	2019	2018
	£	£
Auditors' remuneration:		
Fees payable for the audit of the company	50,600	38,700
Depreciation of tangible fixed assets (note 12)	1,616,232	1,480,111
Amortisation of intangible fixed assets (note 10)	1,229	1,229
Hire of plant and machinery under operating lease	465,744	452,057
Land and buildings rentals	75,044	125,007
(Profit) / Loss on disposal of tangible fixed assets	10,903	(181,806)
Amortisation of Government grant	(36,666)	(36,666)
Other operating income - Hire of car park	(10,775)	(11,110)
Foreign currency gain	(2,092,796)	(740,767)
Inventory recognised as an expense in cost of sales	175,831,454	167,741,610
Impairment of trade receivables	(8,276)	137,746
Impairment of inventory	518,020	548,516

East End Foods Holdings Limited

Notes to the consolidated financial statements for the year ended 30 April 2019 (continued)

6 Directors and employees

Group	2019	2018
	£	£
Wages and salaries	8,761,336	8,670,472
Social security costs	720,894	817,534
Other pension costs (note 23)	490,506	433,675
	9,972,736	9,921,681

The average monthly number of employees of the group during the year was:

Group	2019	2018
	Number	Number
Directors	9	9
Production	254	252
Administration	90	88
	353	349

The company had no employees during 2019 or 2018.

Remuneration in respect of directors of the company, which was entirely borne by another group company, was as follows:

	2019	2018
	£	£
Aggregate emoluments	445,770	395,595
Pension contributions to money purchase pension schemes	32,400	32,400
	478,170	427,995

East End Foods Holdings Limited

Notes to the consolidated financial statements for the year ended 30 April 2019 (continued)

6 Directors and employees (continued)

During the year, 1 director of the company (2018: 1) participated in money purchase pension schemes.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2019	2018
	£	£
Aggregate emoluments	132,058	104,279

7 Interest receivable and similar income

	2019	2018
	£	£
Bank interest	308,780	59,109
Other interest	4,699	6,635
Gain on derivative financial instruments	281,667	-
Government grants	-	3,470
	595,146	69,214

8 Interest payable and similar expenses

	2019	2018
	£	£
Bank interest	36	471
Other interest	246,348	277,596
Gain in revaluation	18,980	20,979
Loss on derivative financial instruments	-	61,320
	265,364	360,366

Other interest constitutes directors loan interest £246,348 (2018: £277,596) and interest on loan from directors pension scheme.

East End Foods Holdings Limited

Notes to the consolidated financial statements for the year ended 30 April 2019 (continued)

9 Tax on profit

(a) The tax charge is based on the profit for the financial year and represents:

	2019	2018
	£	£
United Kingdom corporation tax for the year	3,069,444	1,921,719
Adjustment in respect of previous periods	(88,872)	(4,391)
Total current tax	2,980,572	1,917,328
Origination and reversal of timing differences	30,070	97,404
Adjustment in respect of previous periods	(4,351)	196
Effects in changes in tax rates	(3,165)	(10,253)
Total deferred taxation (note 20)	22,554	87,347
Tax on profit	3,003,126	1,921,719

(b) Factors affecting tax charge for the year:

The tax assessed for the year is higher (2018: higher) than the standard rate applying in the UK of 19.00% (2018: 19.00%). The differences are explained below:

	2019	2018
	£	£
Profit before taxation	15,652,378	9,388,681
Profit before taxation multiplied by standard rate of corporation tax on the UK of 19.00% (2018: 19.00%)	2,973,951	1,783,850
Effect of:		
Expenses/income not deductible for tax purposes	211,830	-
Income not taxable	(6,967)	-
R & D Relief	(79,299)	-
Tax rate change	(3,166)	(10,253)
Adjustment in respect of previous periods	(93,223)	(4,391)
Total tax charge for the year	3,003,126	1,921,719

East End Foods Holdings Limited

Notes to the consolidated financial statements for the year ended 30 April 2019 (continued)

9 Tax on profit (continued)

Factors that may affect future tax charges

The UK standard corporation tax rate of 20% was reduced with effect from 1 April 2017. A rate of 19% applies to current tax liabilities arising in the year. Further reductions to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective 1 April 2020) was announced in the budget on 16 March 2017. These rate reductions may reduce the Company's future tax charge accordingly. The deferred tax credit has been calculated at the rate likely to exist at the time of utilisation.

10 Intangible assets

Group	Patents and trademarks
	£
Cost	
At 1 May 2018	30,710
Additions	-
At 30 April 2018	30,710
Accumulated amortisation	
At 1 May 2018	6,143
Charge in the year	1,229
At 30 April 2018	7,372
Net book value	
At 30 April 2019	23,338
At 30 April 2018	24,567

The company had no intangible fixed assets.

East End Foods Holdings Limited

Notes to the consolidated financial statements for the year ended 30 April 2019 (continued)

11 Investment properties

Group and company	Freehold land and buildings
	£
Fair value at 30 April 2018 and 1 May 2018	369,506
Additions	5,674,331
Fair value at 30 April 2019	6,043,837

The directors consider the value to be same as last year or purchase price and were sold at book value after the year end.

12 Tangible assets

Group	Freehold property	Long Leasehold property	Plant and machinery	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 May 2018	21,059,849	3,326,417	16,518,089	232,612	41,136,967
Additions	-	-	298,866	47,821	346,687
Disposals	-	-	-	(81,172)	(81,172)
At 30 April 2019	21,059,849	3,326,417	16,816,955	199,261	41,402,482
Accumulated depreciation					
At 1 May 2018	4,361,980	1,432,491	12,733,515	120,027	18,648,013
Charge in the year	894,888	75,758	612,516	33,070	1,616,232
Disposals	-	-	-	(52,869)	(52,869)
At 30 April 2019	5,256,868	1,508,249	13,346,031	100,228	20,211,376
Net book value					
At 30 April 2019	15,802,981	1,818,168	3,470,924	99,033	21,191,106
At 30 April 2018	16,697,869	1,893,926	3,784,574	112,585	22,488,954

East End Foods Holdings Limited

Notes to the consolidated financial statements for the year ended 30 April 2019 (continued)

13 Investments

Group	Cash Investments	Quoted Investments	Total
	£	£	£
Fair value			
1 May 2018	1,608,455	78,946	1,687,401
Disposals	(883,884)	(20,502)	(904,386)
At 30 April 2019	724,571	58,444	783,015

Company	Shares in group companies	Cash Investments	Total
	£	£	£
Fair value			
1 May 2018	200,001	1,608,455	1,808,456
Disposals	-	(883,884)	(883,884)
At 30 April 2019	200,001	724,571	924,572

The investment relates to the company's ownership of 100% of the ordinary share capital of East End Foods Limited and East End Foods Properties Limited.

The subsidiary undertakings were incorporated in England and registered in England and Wales, details of which are set out below. All subsidiary undertakings were directly held by the Company.

Subsidiary companies	Nature of business	Group shareholding
East End Foods Limited	Wholesale distribution of food	100%
East End Foods Properties Limited	Holding of property	100%

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

The registered address of subsidiaries is the same as East End Foods Holdings Limited.

East End Foods Holdings Limited

Notes to the consolidated financial statements for the year ended 30 April 2019 (continued)

14 Stocks

Group	2019	2018
	£	£
Goods for sale	24,936,831	22,451,336

The value of stocks above is not materially different from the replacement cost. The stocks are stated after provisions for impairment of £3,534,328 (2018: £1,895,390).

The company has no stock in either 2019 or 2018.

15 Debtors

Group	2019	2018
	£	£
Trade debtors	6,411,840	5,594,964
Other debtors	14,007	58,857
Derivative financial instruments (note 18)	590,531	2,033,083
Prepayments and accrued income	614,500	619,501
	7,630,878	8,306,405

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand. Trade debtors are stated after provisions for impairment of £470,205 (2018: £913,840). Derivative financial instruments above are measured at fair value through the profit and loss account. All other financial instruments are measured at amortised cost.

Company	2019	2018
	£	£
Amounts owed to group undertakings	16,379,418	16,359,698

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

East End Foods Holdings Limited

Notes to the consolidated financial statements for the year ended 30 April 2019 (continued)

16 Creditors: amounts falling due within one year

Group	2019	2018
	£	£
Trade creditors	20,312,999	17,145,496
Directors' and related parties' loan accounts (note 25)	4,607,946	5,422,507
Corporation tax	3,001,806	1,579,484
Derivative financial instruments (note 18)	647,676	2,371,895
Other taxation and social security	506,264	635,745
Other creditors	537,004	139,988
Accruals and deferred income	541,569	868,121
	30,155,264	28,163,236

Amounts owed to directors and related parties are unsecured and interest of £244,348 was paid during the year at 2.5% per annum.

Derivative financial instruments above are measured at fair value through the profit and loss account. All other financial instruments are measured at amortised cost.

Company	2019	2018
	£	£
Amounts owed to group undertakings	1	1
Other creditors	538,180	110,896
Corporation tax	73,555	29,607
	611,736	140,504

East End Foods Holdings Limited

Notes to the consolidated financial statements for the year ended 30 April 2019 (continued)

17 Creditors: amounts falling due after more than one year

Group	2019	2018
	£	£
Provision for liabilities – Deferred tax	109,713	87,159
Accruals and Deferred income		
Balance bought forward	169,873	206,539
Released during the year	(36,666)	(36,666)
Balance carried forward	133,207	169,873
	242,920	257,032

The company had no creditors falling due after more than one year in 2019 or 2018.

18 Financial Instruments

The group has the following financial instruments:

Group	2019	2018
	£	£
Financial assets measured at fair value through profit or loss:		
Derivative financial instruments	590,531	2,033,083
Investments in securities	58,444	78,946
Financial assets that are debt instruments measured at amortised cost:		
Cash Investments	724,571	1,608,455
Trade debtors	6,411,840	5,594,964
Other debtors	14,007	58,856

East End Foods Holdings Limited

Notes to the consolidated financial statements for the year ended 30 April 2019 (continued)

18 Financial Instruments (continued)

Group	2019	2018
	£	£
Financial liabilities measured at fair value through profit or loss:		
Derivative financial instruments	647,676	2,371,895
Financial liabilities measured at amortised cost:		
Trade creditors	20,312,999	17,145,499
Amount owed to directors and related parties	4,607,946	5,422,507
Other creditors	537,004	139,988

The forward foreign currency contracts are measured at fair value which is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the forward exchange rates for GBP:USD, GBP:EUR and GBP:INR. All outstanding contracts mature within 12 months of the year end.

19 Commitments under leasing agreements

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

Group	Operating leases			
	Land and buildings		Others	
	2019	2018	2019	2018
	£	£	£	£
Operating leases which expires:				
Within one year	510,000	510,000	413,798	413,798
Within 2 to 5 years	1,615,000	1,615,000	1,136,451	1,136,451
In more than 5 years	4,009,407	5,481,630	44,679	44,679
	6,134,407	7,606,630	1,594,928	1,594,928

The company had no commitments under leasing agreements.

East End Foods Holdings Limited

Notes to the consolidated financial statements for the year ended 30 April 2019 (continued)

20 Deferred taxation

Group	Deferred taxation
	£
At 1 May 2018	(87,159)
Charged to the profit and loss account	(22,554)
At 30 April 2019	(109,713)

Deferred taxation provided and unprovided for in the financial statements is set out below:

Group	Provided		Not provided	
	2019	2018	2019	2018
	£	£	£	£
Accelerated capital allowances	(109,713)	(87,159)	-	-

21 Called up share capital

	2019	2018
Group and company	£	£
Allotted and fully paid		
50,000 (2018: 50,000) A Class Ordinary shares of £1 each	50,000	50,000
150,000 (2018: 150,000) B Class Ordinary shares of £1 each	150,000	150,000
	200,000	200,000

A class shares and B class shares carry the same rights in all respects save for the instance of the winding up of the company whereby A class shares shall rank above B class shares in respect of the first £100 of the value of the shares, thereafter A class and B class shall rank equally for the distribution of the company's assets upon the winding up of the company.

East End Foods Holdings Limited

Notes to the consolidated financial statements for the year ended 30 April 2019 (continued)

22 Guarantees and commitments

The group has given bank guarantees of £2,000,000 (2018: £2,000,000) in respect of VAT on imports and other commercial guarantees to third parties totalling £450,000 (2018: £450,000).

There is also an unlimited cross guarantee in favour of HSBC with Jason Paul Montgomery Limited, a dormant company, registered in England and Wales, which is a related party to East End Foods Limited. The amount of the contingent liability is £nil (2018: £nil).

23 Pension commitments

The group operates two defined contribution pension schemes, one for directors and one for the employees. The assets of the schemes are held separately from those of the group in independently administered funds. Contributions of £490,506 (2018: £433,675) were made by the group in the year.

24 Capital commitments

Amounts contracted for but not provided for in the financial statements amounted to £nil (2018: £nil).

25 Transactions with directors

During the year, the following directors made loans to the group which remain outstanding at the year end. The balances due to the directors at 30 April 2019 and 30 April 2018 are as follows:

	2019	2018
Directors	£	£
Kuldip Singh Wouhra	335,045	958,600
Devender Singh Wouhra	1,195,439	1,205,552
Jasbir Singh Wouhra	1,493,620	1,500,262
Gurdarshan Singh Wouhra	1,517,771	1,687,580
	4,541,875	5,351,994

East End Foods Holdings Limited

Notes to the consolidated financial statements for the year ended 30 April 2019 (continued)

25 Transactions with directors (continued)

	2019	2018
	£	£
Other related parties		
Jaswinder Singh Wouhra	66,071	70,513
	4,607,946	5,422,507

Amounts owed to directors and related parties are unsecured, bear interest at 2.5% and are repayable on demand.

26 Related party transactions

During the year, the company entered into transactions with East End Foods Limited, East End Foods Retirement Benefit Scheme and the Wouhra Family Settlement Trust, entities which some of the directors are trustees. The transactions were as follows:

A dividend payment of £10,000,000 (2018: £10,000,000) was paid from East End Foods Limited to East End Foods Holdings Limited.

At 30 April 2019, included within other creditors is £476,050 (2018: £80,000) owed to shareholders of the company in relation to the dividend payment in 2016 and 2019.

Rentals of £55,000 (2018: £82,083) were paid to the pension scheme for the use of the Aston Cross bonded warehouse. £390,000 (2018: £390,000) for the use of Kenrick Way property and £600,000 (2018: £600,000) for the use of the Aston Cross and Steel Bright cash and carry properties was paid to East End Properties Ltd (a fellow subsidiary of East End Foods Holdings Limited).

During the year, the company purchased, from Quality Natural Foods - Dubai £9,204,106 (2018: £11,662,456) of goods and services and at 30 April 2019, £653,999 (2018: £514,238), was due to that company. Quality Natural Foods is a company in which Devender Singh Wouhra is a director.

During the year, the company purchased, from Landmark Wholesale Ltd £5,561,201 (2018: £4,669,086) of goods and services and at 30 April 2019 owed the company £579,908 (2018: £431,710). Gurdarshan Singh Wouhra is director of both East End Foods Limited and Landmark Wholesale Ltd.

During the year, the company sold to Quality Natural Foods Cremona SRL £709,905 of goods and services and at 30 April 2019 and the amount due from the company was £369,098. Quality Natural Foods Cremona SRL is a company in which Devender Singh Wouhra is a director.

During the year, the company paid commission of £120,000 to Mundev Singh Wouhra who is son of Devender Singh Wouhra for sourcing investment properties.

East End Foods Holdings Limited

Notes to the consolidated financial statements for the year ended 30 April 2019 (continued)

27 Dividends

A dividend of £2,000,000 (2018: £nil) has been paid during the year ended 30 April 2019.

28 Ultimate controlling party

During the period to 26 November 2019 whilst there were significant family interests in the shares of the company, the directors considered that there was no one ultimate controlling party of the company. Following the acquisition of the shares of the company on 26 November 2019, the Directors consider that Exponent Private Equity Partners represent the ultimate controlling party of the company. Following the acquisition Cricket Bidco Limited became the immediate parent of the company.

The largest and smallest group for which consolidated financial statements are prepared is East End Foods Holdings Limited.

Copies these financial statements are available from East End House, Kenrick Way, West Bromwich, West Midlands, B71 4EA.

29 Post Balance Sheet Events:

On 14 September 2019 the shareholders of East End Foods Holdings Limited entered into a sale and purchase agreement to sell the entire issued share capital of East Ends Foods Holdings Limited. The sale completed on 26 November 2019 as a result of the acquisition, the company is now subject to new financing arrangements organised by the acquirer, which include cross guarantees for banking arrangements of the acquiring group. As part of the Directors assessment of going concern, identified within note 3 of the accounts, they have made enquiries of the new owners in respect of these guarantees and consider that, based on the responses received, the company will have sufficient resources available to meet its liabilities as they fall due for the foreseeable future.