

**Foodpack Limited**

**Annual Report**

**Registered number 09674147**

**For the Year Ended 31 December 2019**

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## Contents

Company Information	1
Strategic Report	2
Directors' Report	4
Statement of Directors' Responsibilities in respect of the financial statements	6
Independent auditors report to the members of Foodpack Limited	7
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Notes to the financial statements	13

## Company Information

<b>Directors</b>	A Dawson T Van Mourik N S Jury C L Price
<b>Company number</b>	09674147
<b>Registered office</b>	Tern Valley Business Park, Market Drayton England, TF9 3SQ
<b>Independent Auditors</b>	DSG Chartered Accountants & Statutory Auditor Castle Chambers 43 Castle Street Liverpool L2 9TL

## Strategic Report

The directors present the Strategic Report for the year ended 31 December 2019.

### Review of the business

The principal activities of the company continue to be the co-packing / co-manufacture and manufacture of various food products for the UK market (business to business and direct to retail customers).

The company has strengthened its position with major customers, and there has been further investment in plant and machinery to improve efficiencies.

Retail business grew during the year and its continuation is expected during the year to 31 December 2020.

### Financial Review

The result for the year to 31 December 2019 as detailed in the statement of comprehensive income on page 10 was a profit after taxation of £740,000 (*nine months ended 31 December 2018: loss of £290,000*).

### Revenues and gains

Revenue comprises amounts recognised by the company in respect of goods and services supplied. Revenue for the year ended 31 December 2019 was £14,896,000 (*nine months ended 31 December 2018: £7,850,000*), which was expected to increase further in the next trading year. However, Covid 19 has had a detrimental impact on our core "Food On The Go" market and as such 2020 revenue and operating profit are expected to be lower than those recorded in 2019. Operating profit before interest was £1,039,000 for the current year (*nine months ended 31 December 2018: loss of £291,000*).

### Principal risks and uncertainties

#### Foreign currency risk

The company has no operations outside of the UK, with minimal direct exposure to exchange rate fluctuations. However, the company carries the risk of its UK suppliers of material being themselves affected by currency movements and therefore attempting to pass the cost on. No foreign currency contracts were used during the year.

#### Interest rate risk

The company has external debt, on which the interest rate level is both fixed and variable. The company has no fixed interest receivable.

#### Credit risk

The company sets targets for debtor days and continually reviews its position. Debt is relatively concentrated; however, the concentration falls on blue chip global businesses. The company is in constant contact with its markets, and ensures all new opportunities are explored. Business diversity will continue.

#### Liquidity risk

The company mitigates liquidity risk by managing the cash generation and working capital movements of its operation.

#### Price risk

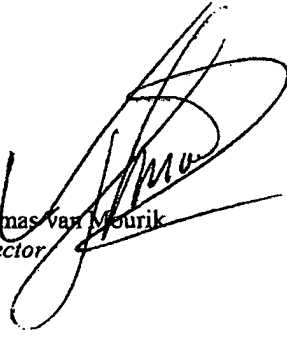
The company did not enter into swap options contracts during the year. No trading in derivative financial instruments has been undertaken in the price.

## Strategic Report *(continued)*

### *Key Performance Indicators*

The directors monitor the performance of the business both financially and operationally with a comprehensive suite of Key Performance Indicators (KPI) which covers all areas of the business and are shared with staff and customers respectively.

Financial: Sales, operating profit  
Headcount: Permanent and agency



Thomas van Mourik  
Director

Shrewsbury Road  
Market Drayton  
Shropshire  
TF9 3SQ  
23 November 2020

## Directors' Report

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

### Future developments

As noted in the Strategic Report, plans beyond 2019 include continued growth by increasing revenues from existing customers and through generating business with new customers, including existing Culina Group customers. It is noted that these plans have suffered a setback in 2020 due to Covid 19 but the directors of the business remain confident of the future growth of the business.

### Dividends

A dividend of £nil was declared and £nil paid during the year (*period ended 31 December 2018: £nil declared and £nil paid*).

### Political and charitable contributions

No political donations were made during the year (*period ended 31 December 2018: £nil*).

No charitable donations were made during the year (*period ended 31 December 2018: £nil*).

### Financial risk management

The company's operations expose it to a variety of financial risks that include credit and liquidity risks. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company.

#### Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

The company closely reviews the credit worthiness of new and existing customers and closely monitors the ageing of all receivables in order to minimise this risk.

#### Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due.

Ultimate responsibility for liquidity risk management rests with the Board of Directors of the company. Company funding comes from a parent company loan. The parent company ensures the company has access to sufficient funds in order to continue operations and fund planned expansions.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Thomas van Mourik  
Christian Lee Price  
Nigel Stephen Jury  
Andrew David Dawson

### Employees

Under the new ownership of Integrated Packing Services Ltd the company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and the various factors affecting the performance of the company. This is achieved through formal and informal meetings supplemented by a regular internal employee newsletter. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

## **Directors' Report (continued)**

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

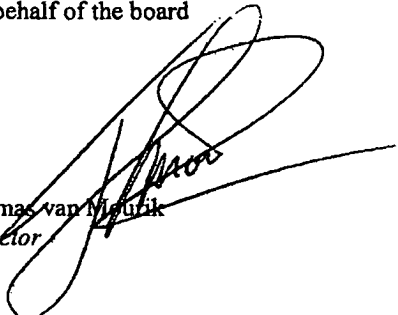
### **Disclosure of information to auditors**

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

### **Independent auditors**

The current auditors' fixed term appointment expires with the audit of these financial statements. The intended auditors for next year's financial statements, BDO LLP, will be proposed at the Annual General Meeting.

On behalf of the board

  
Thomas van Nieuw  
Director

Shrewsbury Road  
Market Drayton  
Shropshire  
TF9 3SQ

23 November 2020

## **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 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;
- 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.

The directors 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.



# **FOODPACK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF FOODPACK LIMITED**

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#### **Opinion**

We have audited the financial statements of Foodpack Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **FOODPACK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF FOODPACK LIMITED**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

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

#### **Responsibilities of the directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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

*Iain White*

**Iain White BSc FCA (Senior Statutory Auditor)**  
for and on behalf of DSG

Date 24 November 2020

**Chartered Accountants**  
**Statutory Auditor**

Castle Chambers  
43 Castle Street  
Liverpool  
L2 9TL

**Statement of Comprehensive Income**  
*for the year ended 31 December 2019*

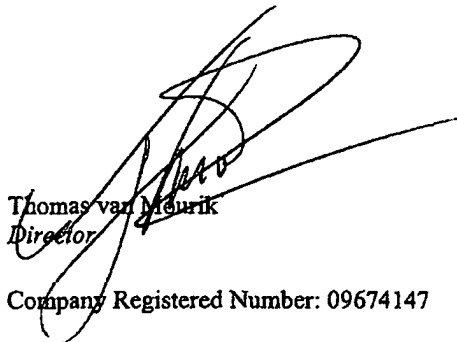
	<i>Note</i>	Year ended 31 December 2019	9 months ended 31 December 2018
		£000	£000
<b>Revenue</b>	4	14,896	7,850
<b>Cost of sales</b>		(11,035)	(5,663)
		<hr/>	<hr/>
<b>Gross profit</b>		3,861	2,187
<b>Administrative expenses</b>		(2,814)	(2,024)
<b>Exceptional expenses</b>	5	(7)	(454)
		<hr/>	<hr/>
<b>Operating profit / (loss)</b>	6	1,040	(291)
<b>Finance expenses</b>	9	(114)	(88)
		<hr/>	<hr/>
<b>Net finance expense</b>		(114)	(88)
		<hr/>	<hr/>
<b>Profit / (Loss) before taxation</b>		926	(379)
<b>Tax on profit / (loss)</b>	10	(186)	89
		<hr/>	<hr/>
<b>Profit / (Loss) for the financial year/period</b>		740	(290)
		<hr/>	<hr/>
<b>Other comprehensive income</b>		-	-
		<hr/>	<hr/>
<b>Total comprehensive income / deficit for the year/period</b>		740	(290)
		<hr/>	<hr/>

The notes on pages 13 to 22 form part of the financial statements.

**Statement of Financial Position**  
*as at 31 December 2019*

	Note	31 Dec 2019	31 Dec 2019	31 Dec 18	31 Dec 18
		£000	£000	£000	£000
<b>Fixed assets</b>					
Property, plant and equipment	11		3,877		3,561
<b>Current assets</b>					
Inventories	12	2,494		1,366	
Trade and other receivables	13	3,103		2,435	
Cash and cash equivalents		734		278	
Deferred tax asset	14	-		6	
			6,331		4,086
<b>Total Assets</b>			10,208		7,646
<b>Current liabilities</b>					
Trade and other payables	15	(7,720)		(4,162)	
Other interest-bearing loans and borrowings	16	(5)		(1,799)	
Deferred tax liability	14	(61)		-	
		(7,786)		(5,961)	
<b>Non-current liabilities</b>					
Other interest-bearing loans and borrowings	16	(2)		(5)	
<b>Total liabilities</b>			(7,788)		(5,966)
<b>Net assets</b>			2,420		1,680
<b>Equity</b>					
Called up share capital	18		1,845		1,845
Retained earnings			575		(165)
<b>Total equity</b>			2,420		1,680

The notes on pages 13 to 22 form part of the financial statements. These financial statements were approved by the board of directors on 23 November 2020 and were signed on its behalf by:

  
Thomas van Meurik  
Director

Company Registered Number: 09674147

**Statement of Changes in Equity**  
*for the year ended 31 December 2019*

	Share capital	Revaluation reserve	Profit and loss reserve	Total shareholders' funds
	£000	£000	£000	£000
<b>Balance at 1 April 2018</b>	1,845	-	125	1,970
Period ended 31 December 2018:				
Loss for the period	-	-	(290)	(290)
<b>Balance at 31 December 2018</b>	1,845	-	(165)	1,680
<b>Balance at 1 January 2019</b>	1,845	-	(165)	1,680
Year ended 31 December 2019:				
Profit for the year	-	-	740	740
<b>Balance at 31 December 2019</b>	1,845	-	575	2,420

## Notes to the financial statements

### 1 Compliance with Accounting Standards

These financial statements are the second financial statements in which the company has adopted Financial Reporting Standard 102 'Reduced Disclosure Framework' (FRS 102). The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council.

As permitted by FRS 102, for both periods presented, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cash flow statement, standards not yet effective and related party transactions with other wholly-owned members of the Group. Where required, equivalent disclosures are given in the Group financial statements of Unternehmensgruppe Theo Muller S.e.c.s, a partnership registered in Luxembourg. The partnership prepares Group financial statements which are publicly available and can be obtained as set out in note 21.

### 2 Accounting policies

#### *General information*

Foodpack Limited ("the company") is a co-pack / co-manufacture and manufacture of various food products for the UK market.

The company is a private limited company, limited by shares and is incorporated and domiciled in the UK and registered in England. The address of its registered office is Shrewsbury Road, Market Drayton, Shropshire, TF9 3SQ.

#### *Basis of preparation*

Foodpack Limited is a company incorporated in the United Kingdom under the Companies Act 2006. These financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland under the historical cost convention.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

#### *Going concern*

The directors have considered the future profitability of the company and its ability to continue as a going concern and have prepared profit forecasts. Based on these projections and taking into account available resources the directors are satisfied that, for the foreseeable future, the company can meet its projected working capital requirements. Consequently the financial statements have been prepared on a going concern basis.

#### *Exemptions for qualifying entities under FRS 102*

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

- (a) the requirement to prepare a statement of cash flows
- (b) certain financial instrument disclosures
- (c) the non-disclosure of key management personnel compensation in total

## Notes to the financial statements (continued)

### *Cash flow statement*

The company is a wholly owned subsidiary of Integrated Packing Services Limited and is included in the consolidated financial statement of Unternehmensgruppe Theo Muller S.e.c.s, which are publicly available. The company has therefore taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 102 paragraph 1.12(b).

### *Revenue recognition policy*

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of value added taxes. Revenue is recognised in the accounting period in which the services are rendered.

### *Property, plant and equipment*

Such assets are stated at cost less depreciation and impairment. Depreciation is calculated on a straight line basis to write the assets down to their residual value at the following annual rates:

Land and Buildings	2%
Plant and machinery	10%
Furniture and equipment	33%
Computers	33%
Assets under construction	Not depreciated

The assets' residual values and useful lives are reviewed and adjusted as appropriate at each statement of financial position date. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount exceeds the higher of the asset's fair value less cost to sell and value in use. Any impairment charge is recorded in the income statement.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement.

### *Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost is based on the first in-first out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition.

Raw materials and consumables recognised as an expense in the year ended 31 December 2019 amounted to £6,602,000 (9 months ended 31 December 2018: £3,541,000).

### *Trade and other receivables*

Trade and other receivables do not carry interest and are stated at amortised cost less impairment losses.

### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits.

### *Trade and other payables*

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

### *Functional and presentational currency*

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in Sterling (£), which is also the company's functional currency.



## Notes to the financial statements (continued)

### 2 Accounting policies (continued)

#### *Taxation*

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

#### *Employee benefits*

##### *Defined contribution plan*

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

#### *Leases*

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### *Foreign exchange*

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

## Notes to the financial statements (continued)

### 3 Critical accounting estimates and judgements

Estimates and judgments 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.

#### a. Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually and reviewed for impairment. See note 11 for the carrying amount of property, plant and equipment and note 2 for the depreciation profile of each class.

#### b. Impairment of trade receivables

The company makes an estimate of the recoverable values of trade and other debtors. As part of the impairment review, factors such as the ageing profile, historical experience and credit rating are considered. See note 13 for the net carrying amount of receivables.

### 4 Revenue

The total revenue of the company for the year/period has been derived from its principal activity of providing co-packing facilities for customers.

All revenue arose within the United Kingdom.

### 5 Exceptional expenses

	Year ended 31 December 2019 £000	9 months ended 31 December 2018 £000
Redundancy costs / other exceptional acquisition related costs	7	454

The financial statements include redundancy and acquisition related costs. The directors consider that these items warrant separate disclosure as an exceptional item in order that the financial statements show a true and fair view.

### 6 Operating profit / (loss)

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

	Year ended 31 December 2019 £000	9 months ended 31 December 2018 £000
Exchange gain	(7)	(1)
Auditors' remuneration: audit of these financial statements	18	16
Depreciation and amounts written off property, plant and equipment	260	185
Depreciation of tangible fixed assets held under finance lease	5	4
Cost of stocks recognised as an expense	6,602	3,541

## Notes to the financial statements (continued)

### 7 Staff costs

	Year ended 31 December 2019 £000	9 months ended 31 December 2018 £000
Wages and salaries	3,405	2,000
Social security costs	293	169
Other pension costs	113	40
	<u>3,811</u>	<u>2,209</u>

The monthly average number of persons employed during the period was 141 (*period ended 31 December 2018: 132*) with an average of 118 in direct operations, 19 in administration and 4 Management (*period ended 31 December 2018: 109 in direct operations, 21 in administration and 2 Management*).

### 8 Directors' remuneration

	Year ended 31 December 2019 £000	9 months ended 31 December 2018 £000
Emoluments	-	21

The emoluments of Mr A Dawson, Mr N Jury, Mr C Price and Mr T van Mourik are paid by the parent company, Culina Group Limited. The directors were remunerated for their services to the Culina Group as a whole, including Foodpack Limited, and it is not possible to allocate their emoluments to the Company. Accordingly, the above details include no emoluments in respect of these directors. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of Culina Group Limited.

### 9 Finance expenses

	Year ended 31 December 2019 £000	9 months ended 31 December 2018 £000
Interest payable on loans from Parent company	100	-
Interest payable on bank loans and overdrafts	7	63
Interest payable on finance leases	5	2
Interest payable on invoice finance arrangements	2	23
	<u>114</u>	<u>88</u>

## Notes to the financial statements (continued)

### 10 Tax on profit

	Year ended 31 December 2019 £000	9 months ended 31 December 2018 £000
<b>Analysis of tax charge / (credit) in the year/period</b>		
<b>Corporation tax</b>		
United Kingdom corporation tax on profit/loss for the year/period	114	(8)
Adjustments in respect of prior years	5	(24)
<b>Total current tax charge / (credit)</b>	<b>119</b>	<b>(32)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	75	(58)
Adjustments in respect of prior years	(8)	1
<b>Total deferred tax charge / (credit)</b>	<b>67</b>	<b>(57)</b>
<b>Total tax charge / (credit)</b>	<b>186</b>	<b>(89)</b>

#### Reconciliation of tax expense/ income

The tax charge / (credit) assessed for the year / period is higher (2018: lower) than that arising from applying the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

The actual charge/(credit) for the year / period can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	Year ended 31 December 2019 £000	9 months ended 31 December 2018 £000
Profit/(Loss) before taxation	926	(379)
Profit multiplied by standard rate of Corporation tax in the UK of 19% (December 2018: 19%)	176	(72)
Effects of:		
Expenses not deductible for tax purposes	10	6
Impact of changes in tax rate	(8)	1
Adjustments in respect of prior year	8	(24)
<b>Total tax charge / (credit) for the year / period</b>	<b>186</b>	<b>(89)</b>

#### Factors that may affect future tax charges

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to increase the tax expense for the period by £1k and to increase the deferred tax liability by £1k.

## Notes to the financial statements (continued)

### 11 Property, plant and equipment

	Land and Buildings	Plant and machinery	Furniture and equipment	Computers	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000
<b>Cost</b>						
At 1 January 2019	2,339	1,714	200	93	-	4,346
Additions	83	402	11	5	80	581
	<u>2,422</u>	<u>2,116</u>	<u>211</u>	<u>98</u>	<u>80</u>	<u>4,927</u>
<b>At 31 December 2019</b>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Accumulated depreciation</b>						
At 1 January 2019	122	434	160	69	-	785
Charge for the year	38	180	30	17	-	265
	<u>160</u>	<u>614</u>	<u>190</u>	<u>86</u>	<u>-</u>	<u>1,050</u>
<b>At 31 December 2019</b>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net book value</b>						
At 31 December 2019	<u>2,262</u>	<u>1,502</u>	<u>21</u>	<u>12</u>	<u>80</u>	<u>3,877</u>
At 31 December 2018	<u>2,217</u>	<u>1,280</u>	<u>40</u>	<u>24</u>	<u>-</u>	<u>3,561</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, is as follows:

	31 December 2019 £000	31 December 2018 £000
Cost	21	65
Accumulated depreciation	(6)	(17)
<b>Net book value</b>	<u>15</u>	<u>48</u>

## Notes to the financial statements (continued)

### 12 Inventories

	31 December 2019 £000	31 December 2018 £000
Raw materials and consumables	2,494	1,366

Stock provision of £99,000 (31 December 2018: £88,000) for de-listed stock within the above valuations.

### 13 Trade and other receivables

	31 December 2019 £000	31 December 2018 £000
Amounts falling due within one year		
Trade debtors	2,721	2,380
Amounts owed by group undertakings	304	7
Other debtors	78	48
	<u>3,103</u>	<u>2,435</u>

### 14 Deferred tax liability / (asset)

	31 December 2019 £000	31 December 2018 £000
At the beginning of the year / period	(6)	51
Charge/(credit) to profit or loss	67	(57)
	<u>61</u>	<u>(6)</u>

The elements of the deferred taxation assets are as follows:

	31 December 2019 £000	31 December 2018 £000
Accelerated capital allowances	72	99
Tax losses	-	(104)
Other	(11)	(1)
	<u>61</u>	<u>(6)</u>

The deferred tax asset reflected in the company's statement of financial position at 31 December 2019 has been calculated at the rate of 19% (31 December 2018: 17%) that being the enacted rate that is expected to apply at the timing of reversal.

## Notes to the financial statements *(continued)*

### 15 Creditors: Amounts falling due within one year

	31 December 2019 £000	31 December 2018 £000
<b>Current liabilities</b>		
Trade creditors	1,023	1,206
Amounts owed to group undertakings	4,954	620
Other taxation and social security	253	197
Other creditors	61	1,109
Corporation tax	114	-
Accruals and deferred income	1,315	1,030
	<u>7,720</u>	<u>4,162</u>

### 16 Other interest-bearing loans and borrowings

	31 December 2019 £000	31 December 2018 £000
<b>Amounts falling due within one year</b>		
Bank loans and overdrafts	2	1,793
Obligations under finance lease	3	6
	<u>5</u>	<u>1,799</u>
<b>Amounts falling due after more than one year</b>		
Bank loans and overdrafts	-	-
Obligations under finance lease	2	5
	<u>2</u>	<u>5</u>

Hire purchase agreements are secured against the assets concerned.

## Notes to the financial statements (continued)

### 17 Called up share capital

	31 December 2019 £000	31 December 2018 £000
<i>Allotted, called up and fully paid</i>		
470,000 Ordinary 'A' shares of £1 each	470	470
1,375,000 Ordinary 'C' shares of £1 each	1,375	1,375
	<hr/> 1,845	<hr/> 1,845

The A and C ordinary shares rank *pari passu* for dividends and voting rights.

Upon the return of assets on liquidation, capital reduction, or otherwise the holders of the C ordinary shares receive 75% and the holders of the A ordinary shares receive 25% of the net assets up to £2m and then 70% and 30% respectively of proceeds in excess of £2m. In the event of share sale or listing the holders of the C ordinary shares receive 75% and the holders of the A ordinary shares receive 25% of the net assets up to £2m and then 60% and 40% respectively of proceeds in excess of £2m

### 18 Pension commitments

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £113,000 (*period ended 31 December 2018: £40,000*). Contributions totalling £10,000 (*31 December 2018: £4,000*) were payable to the fund at the Balance Sheet date.

### 19 Commitments under operating leases

At 31 December 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:-

	31 December 2019 £000	31 December 2018 £000
<i>Operating leases</i>		
Not later than 1 year	17	17
Later than 1 year and not later than 5 years	38	54
	<hr/> 55	<hr/> 71

### 20 Related party transactions

With effect from 30 November 2018 when the company became a wholly owned subsidiary of is Unternehmensgruppe Theo Muller S.e.c.s, the company has taken advantage of the exemption available under FRS102 not to disclose transactions with other members of the group headed by is Unternehmensgruppe Theo Muller S.e.c.s.

### 21 Immediate parent undertakings and controlling party

The immediate parent company is Integrated Packing Services Limited, a company registered in England and Wales. The ultimate parent undertaking is Unternehmensgruppe Theo Muller S.e.c.s, a partnership registered in Luxembourg. This entity prepared group financial statements which are publically available and can be obtained from is Unternehmensgruppe Theo Muller S.e.c.s, 23 rue Aldringen, L-1118 Luxembourg. The ultimate controlling party is Herr Theo Muller.