

Limited Liability Partnership Registration No. OC378828 (England and Wales)

CFC FOOD PARTNERS LLP
REPORT AND UNAUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 OCTOBER 2018
PAGES FOR FILING WITH REGISTRAR
AMENDED



CFC FOOD PARTNERS LLP**STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2018**

		2018		2017 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		168,335		191,599
Tangible assets	5		361,009		316,631
			<u>529,344</u>		<u>508,230</u>
Current assets					
Stocks		210,744		276,658	
Debtors	6	1,378,699		1,294,200	
Cash at bank and in hand		217,099		300,430	
		<u>1,806,542</u>		<u>1,871,288</u>	
Creditors: amounts falling due within one year	7	(1,145,844)		(1,196,105)	
Net current assets			<u>660,698</u>		<u>675,183</u>
Total assets less current liabilities			<u>1,190,042</u>		<u>1,183,413</u>
Creditors: amounts falling due after more than one year	8		(169,456)		(143,214)
Net assets attributable to members			<u><u>1,020,586</u></u>		<u><u>1,040,199</u></u>
Represented by:					
Loans and other debts due to members within one year					
Members' capital classified as a liability			306,695		306,695
Other amounts			713,891		733,504
			<u>1,020,586</u>		<u>1,040,199</u>
Total members' interests					
Amounts due from members			(116,912)		(46,973)
Loans and other debts due to members			<u>1,020,586</u>		<u>1,040,199</u>
			<u><u>903,674</u></u>		<u><u>993,226</u></u>

The members have elected not to include a copy of the income statement within the financial statements.

CFC FOOD PARTNERS LLP

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 OCTOBER 2018

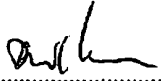
For the financial year ended 31 October 2018 the limited liability partnership was entitled to exemption from audit under section 477 of the Companies Act 2006 (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) relating to small limited liability partnerships.

The members acknowledge their responsibility for complying with the requirements of the Companies Act 2006 (as applied to limited liability partnerships) with respect to accounting records and the preparation of financial statements.

The financial statements of the LLP for the year ended 31 October 2018 initially delivered to the registrar, as described further in note 2, were defective in that they contained such material errors that they did not comply with the Companies Act 2006 as applied to LLPs, and as such have been re-submitted. These financial statements replace those initially delivered to the registrar and are now the statutory financial statements of the LLP for the year ended 31 October 2018. These financial statements have been prepared up to the date of approval of the initial financial statements, 17 July 2019, and as such do no deal with events between then and the date of approving these financial statements.

These financial statements have been prepared and delivered in accordance with the special provisions of the Companies Act 2006 (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008) applicable to LLPs subject to the small LLPs regime.

The financial statements were approved by the members and authorised for issue on 3.8.20 and are signed on their behalf by:



.....
D Walton
Designated member

CFC FOOD PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

Limited liability partnership information

CFC Food Partners LLP is a limited liability partnership registered and incorporated in England and Wales. The registered office is Unit 3 Flanshaw Industrial Estate, Flanshaw Way, Wakefield, West Yorkshire, WF2 9LP.

The limited liability partnership's principal activities and nature of its operations are disclosed in the Members' Report.

Accounting convention

The financial statements have been prepared under the historical cost convention in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (published January 2017). The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

Members' participation rights

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net.

CFC FOOD PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies (Continued)

Profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment and the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense and presented as members remuneration charged as an expense in arriving at the result for the relevant year. To the extent that they remain unpaid at the period end, they are shown as liabilities.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is between 3 and 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Short leasehold	10% straight line
Plant and equipment	10% reducing balance
Fixtures and fittings	25% reducing balance
Motor vehicles	10% - 20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

CFC FOOD PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies (Continued)

Financial instruments

The limited liability partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the limited liability partnership's statement of financial position when the limited liability partnership becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the limited liability partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the limited liability partnership after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

CFC FOOD PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies (Continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Retirement benefits and post retirement payments to members

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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 statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

CFC FOOD PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

2 Restatement of defective accounts and prior period adjustment

The defective financial statements for the year ended 31 October 2018 have been amended at 31 December 2018 and restated at 31 December 2017. See below an explanation of the changes made and the impact on the financial statements at each relevant date. Due to the changes to the financial statements a reconciliation of members interests has now also been included in note 10.

Restatements to the statement of financial position at 31 October 2017

	As previously reported	Adjusted	As restated
	£	£	£
Current assets			
Amounts owed by members	-	46,973	46,973
Other debtors	693,282	101,356	794,638
Creditors: amounts falling due within one year			
Other creditors	(649,210)	520,000	(129,210)
	<u>371,870</u>	<u>668,329</u>	<u>1,040,199</u>
Loans and other debts due to members within one year			
Other amounts	(65,175)	(668,329)	(733,504)
	<u>(65,175)</u>	<u>(668,329)</u>	<u>(733,504)</u>

Amendments to the statement of financial position at 31 October 2018

	As previously reported	Adjusted	Amended
	£	£	£
Current assets			
Amounts owed by members	-	116,912	116,912
Other debtors	779,197	57,231	836,428
Creditors: amounts falling due within one year			
Other creditors	(540,364)	520,000	(20,364)
	<u>326,443</u>	<u>694,143</u>	<u>1,020,586</u>
Loans and other debts due to members within one year			
Other amounts	(19,748)	(694,143)	(713,891)
	<u>(19,748)</u>	<u>(694,143)</u>	<u>(713,891)</u>

CFC FOOD PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

2 Restatement of defective accounts and prior period adjustment (Continued)

In the accounting periods ended 31 October 2013 through to 31 October 2016 the LLP entered into what it believed at the time to be a bona fide tax mitigation strategy where Exceptional Performance Payments would be paid or accrued as a business expense. Having entered into discussions with HMRC and taken appropriate advice it is clear to the members the scheme is not effective for tax purposes and hence the transactions were not valid and should not have been booked as an expense. Recovery is now being sought for payments made, whilst reversing accruals for amounts set aside for future payments.

In respect of reversing out the effect of the Exceptional Performance Payments, the financial statements have been amended for the year ended 31 October 2018 and restated for the year ended 31 October 2017. In amending and restating the financial statements to remove the effect of these payments, the unpaid amount within Other creditors has been removed and an amount has been recognised in Other debtors, being the amounts which have been paid over but are expected to be recoverable.

The financial statements have also been amended and restated to allocate profits between the members in line with the terms set out in the LLP agreement. The previous, incorrect, allocation of profits caused part of the Loans and other debts due to members to be in an overdrawn position and as such included within Other debtors. The adjustment made was to retrospectively re-allocate profits from the date of incorporation, in line with the LLP agreement, causing a change in the amount of Loans and other debts due to members which are in an overdrawn position as at 31 October 2017 and 31 October 2018 and to be recognised within debtors.

Finally where Loans and other debts due to members are overdrawn, and to be included within debtors, these amounts had previously been included within Other debtors. In line with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships", these amounts are now separately recognised as Amounts due from members.

As a result of the changes described above and in line with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships", a reconciliation of members' interests has now been included in note .

3 Employees

The average number of persons (excluding members) employed by the partnership during the year was 40 (2017 - 38).

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 November 2017 and 31 October 2018	275,905
Amortisation and impairment	
At 1 November 2017	84,306
Amortisation charged for the year	23,264
At 31 October 2018	107,570
Carrying amount	
At 31 October 2018	168,335
At 31 October 2017	191,599

CFC FOOD PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

5 Tangible fixed assets

	Short leasehold £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 November 2017	18,889	67,027	36,469	461,589	583,974
Additions	-	15,925	10,313	136,147	162,385
Disposals	-	-	-	(154,497)	(154,497)
At 31 October 2018	18,889	82,952	46,782	443,239	591,862
Depreciation and impairment					
At 1 November 2017	9,047	23,107	16,345	218,844	267,343
Depreciation charged in the year	1,889	4,684	5,857	85,292	97,722
Eliminated in respect of disposals	-	-	-	(134,212)	(134,212)
At 31 October 2018	10,936	27,791	22,202	169,924	230,853
Carrying amount					
At 31 October 2018	7,953	55,161	24,580	273,315	361,009
At 31 October 2017	9,842	43,920	20,124	242,745	316,631

6 Debtors

	2018 £	2017 as restated £
Amounts falling due within one year:		
Trade debtors	425,359	452,589
Amounts owed by members	116,912	46,973
Other debtors	836,428	794,638
	1,378,699	1,294,200

7 Creditors: amounts falling due within one year

	2018 £	2017 as restated £
Obligations under finance leases	86,747	74,689
Trade creditors	1,027,391	981,827
Other taxation and social security	11,342	10,379
Other creditors	20,364	129,210
	1,145,844	1,196,105

The obligations under finance leases are secured against the assets to which they relate.

CFC FOOD PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

8 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Obligations under finance leases	169,456	143,214

The obligations under finance leases are secured against the assets to which they relate.

9 Loans and other debts due to members

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

10 Other financial commitments

The total financial commitments, guarantees and contingencies which are not included in the balance sheet amount to £115,200.