

Philip Dennis Foodservice Limited

Annual Report and Financial Statements
Period from 29 January 2017 to 27 January 2018

Registration number: 00571334

TUESDAY



A7FPIJMX

A13

02/10/2018

#86

COMPANIES HOUSE

Philip Dennis Foodservice Limited

Contents

Strategic Report	1
Directors' Report	2 to 3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 7
Profit and Loss Account	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 to 26

Philip Dennis Foodservice Limited

Strategic Report

Period from 29 January 2017 to 27 January 2018

The directors present their strategic report for the period from 29 January 2017 to 27 January 2018.

Fair review of the business

The principal activity of the company during the period was the distribution of catering foods.

The directors are pleased with the company's performance during the period, which has seen growth in turnover of £2.1m (5.1%) to £44m. The company has invested in its Oxford depot which has contributed an increase in sales in this region and will enable the company to expand its presence further. There has been a continued rise in the butchery business with sales in other areas remaining stable.

Despite the very competitive environment, gross margin has increased from 21.3% to 22%. The company's investment in premises and working practices has enabled greater efficiencies in both operations and buying practices. This remains a focus for the directors over the next 12 months.

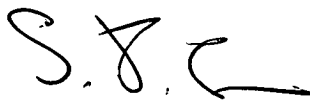
The company has controlled overheads during the period which are 20.9% as a percentage of turnover (2017: 20.5%). Operating profit has improved with £539k being achieved compared to £328k in 2017.

The company has a strong net assets position of £4.6m. As noted above, the company has made investment in the Oxford depot as well as £583k investment in the fleet.

Principal risks and uncertainties

The key risks faced by the company are margin pressure and the steady rise of distribution costs. In addition, the company operates in a highly competitive market place. The company looks to address these risks by continual monitoring and management of direct costs, including, where possible, negotiating fixed prices with suppliers and maximising volume discounts, while investing in customer service. The company has an agreement for the supply of electricity through an on-site wind turbine and solar panels.

Approved by the Board on 18/09/2018 and signed on its behalf by:



.....
Mr S J Carr
Director

Philip Dennis Foodservice Limited

Directors' Report

Period from 29 January 2017 to 27 January 2018

The directors present their report and the financial statements for the period from 29 January 2017 to 27 January 2018.

Directors of the company

The directors who held office during the period were as follows:

Mr S J Carr

Mr C Dennis

Mr P Dennis

Financial risk management objectives & policies

The business' principal financial instruments comprise bank balances, trade debtors, trade creditors and bank loans. The main financial risks that arise from day-to-day activities are discussed below.

Credit risk

Trade debtors are managed in respect of credit risk by using policies derived to accommodate customer needs but also to avoid ageing debts and irrecoverable debt. There is no significant concentration of credit risk, with exposure spread over a large number of counterparties.

Liquidity risk

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due. Trade creditors are paid within the agreed terms subject to any disputes.

The liquidity risk arising from overdraft facilities is managed against anticipated cash inflow from operations based on the plan for the financial year and seasonal trends observed in previous years.

The liquidity risk in respect of bank loans is managed by ensuring there are sufficient funds available to meet repayment commitments as and when they contractually fall due.

Employment of disabled persons

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person.

Employee involvement

Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Philip Dennis Foodservice Limited

Directors' Report

Period from 29 January 2017 to 27 January 2018

Disclosure of information to the auditors

Each director has 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 company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 18/09/2018 and signed on its behalf by:



Mr S J Carr
Director

Philip Dennis Foodservice Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

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

Philip Dennis Foodservice Limited

Independent Auditor's Report to the Members of Philip Dennis Foodservice Limited

Opinion

We have audited the financial statements of Philip Dennis Foodservice Limited (the 'company') for the period from 29 January 2017 to 27 January 2018, which comprise the Profit and Loss Account, Balance Sheet, 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 Financial Reporting Standard 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 27 January 2018 and of its profit for the period 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.

Philip Dennis Foodservice Limited

Independent Auditor's Report to the Members of Philip Dennis Foodservice Limited

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and 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 directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], 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.

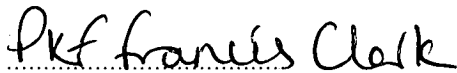
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Philip Dennis Foodservice Limited

Independent Auditor's Report to the Members of Philip Dennis Foodservice Limited

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.



Amy Edwards (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Date: 24 September 2018

Philip Dennis Foodservice Limited

Profit and Loss Account

Period from 29 January 2017 to 27 January 2018

	Note	29 Jan 2017 to 27 Jan 2018 £	31 Jan 2016 to 28 Jan 2017 £
Turnover	3	44,032,371	41,887,873
Cost of sales		<u>(34,307,702)</u>	<u>(32,953,911)</u>
Gross profit		9,724,669	8,933,962
Administrative expenses		<u>(9,185,438)</u>	<u>(8,605,919)</u>
Operating profit	4	<u>539,231</u>	<u>328,043</u>
Other interest receivable and similar income	8	340	161
Interest payable and similar charges	9	<u>(52,070)</u>	<u>(99,834)</u>
		<u>(51,730)</u>	<u>(99,673)</u>
Profit before tax		487,501	228,370
Taxation	10	<u>(108,549)</u>	<u>(32,127)</u>
Profit for the financial period		<u><u>378,952</u></u>	<u><u>196,243</u></u>

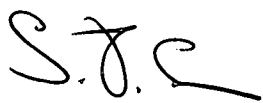
Philip Dennis Foodservice Limited

Balance Sheet

27 January 2018

	Note	27 Jan 2018 £	28 Jan 2017 £
Fixed assets			
Tangible assets	12	6,423,025	6,024,975
Investments	13	10,400	10,400
Other financial assets	14	100	100
		<u>6,433,525</u>	<u>6,035,475</u>
Current assets			
Stocks	15	1,993,508	1,678,772
Debtors	16	3,975,516	3,832,964
Cash at bank and in hand		564,157	509,439
		<u>6,533,181</u>	<u>6,021,175</u>
Creditors: Amounts falling due within one year	18	<u>(5,294,941)</u>	<u>(4,598,301)</u>
Net current assets		<u>1,238,240</u>	<u>1,422,874</u>
Total assets less current liabilities		7,671,765	7,458,349
Creditors: Amounts falling due after more than one year	18	(2,693,998)	(2,656,034)
Provisions for liabilities	21	<u>(377,000)</u>	<u>(340,500)</u>
Net assets		<u>4,600,767</u>	<u>4,461,815</u>
Capital and reserves			
Called up share capital	23	105,267	105,267
Capital redemption reserve		10,000	10,000
Profit and loss account		<u>4,485,500</u>	<u>4,346,548</u>
Total equity		<u>4,600,767</u>	<u>4,461,815</u>

Approved and authorised by the Board on 18/09/2018 and signed on its behalf by:



Mr S J Carr
Director

Company Registration Number: 00571334

Philip Dennis Foodservice Limited

Statement of Changes in Equity

Period from 29 January 2017 to 27 January 2018

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 29 January 2017	105,267	10,000	4,346,548	4,461,815
Profit for the period	-	-	378,952	378,952
Total comprehensive income	-	-	378,952	378,952
Dividends	-	-	(240,000)	(240,000)
At 27 January 2018	105,267	10,000	4,485,500	4,600,767

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 31 January 2016	115,267	-	4,500,305	4,615,572
Profit for the period	-	-	196,243	196,243
Total comprehensive income	-	-	196,243	196,243
Dividends	-	-	(160,000)	(160,000)
New share capital subscribed	105,267	-	-	105,267
Purchase of own share capital	(10,000)	10,000	(190,000)	(190,000)
Other share capital movements	(105,267)	-	-	(105,267)
At 28 January 2017	105,267	10,000	4,346,548	4,461,815

The notes on pages 11 to 26 form an integral part of these financial statements.

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 29 January 2017 to 27 January 2018

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Mullacott Industrial Estate
Ilfracombe
Devon
EX34 8PL

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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.

Basis of accounting and statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. There are no material departures from FRS 102.

These financial statements have been prepared using the historical cost convention.

The functional currency of Philip Dennis Foodservice Limited is considered to be pounds sterling because this is the currency of the primary economic environment in which the company operates.

Summary of disclosure exemptions

Philip Dennis Foodservice Limited meets the definition of a qualifying entity under FRS 102, as its results are consolidated into the financial statements of its parent entity, Philip Dennis Foodservice (Holdings) Limited. It has therefore taken advantage of the disclosure exemptions available to it in respect of its individual financial statements. Exemptions have been taken in relation to the presentation of a cash flow statement, remuneration of key management personnel and financial instruments.

Group accounts not prepared

The company has a wholly owned subsidiary, Lundy Fish Limited, a company incorporated in England and Wales.

The company has taken the advantage of the exemption provided by Section 402 of the Companies Act 2006 in relation to the preparation of group accounts, as Lundy Fish is dormant and wholly immaterial. These financial statements reflect the results of Philip Dennis Foodservice Limited only.

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 29 January 2017 to 27 January 2018

2 Accounting policies (continued)

Summary of significant accounting policies and key accounting estimates

The directors have considered the judgements and estimation uncertainties included in these financial statements and the accounting policies applied and concluded that these do not have a significant effect on the amounts recognised in the financial statements or lead to a risk of causing a material misstatement of the carrying amounts of assets and liabilities within the next financial year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects that period only, or in the period of revision and future periods if the revision affects both current and future periods.

Revenue recognition

Turnover represents the value of goods supplied during the year less trade discounts allowed and excluding value added tax and sales overrides. Turnover is recognised when substantially all the risks and rewards are transferred to the customer which occurs upon delivery of the goods.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	20% on cost

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold Buildings	2% on cost
Plant and computers	10% to 33% on cost
Fixtures and fittings	10% to 33% on cost
Motor vehicles	12.5% to 20% on cost

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

Cost comprises the actual cost of purchases. Net realisable value is the estimated selling price reduced by all costs of selling and distribution.

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 29 January 2017 to 27 January 2018

2 Accounting policies (continued)

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases and hire purchase agreements are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 29 January 2017 to 27 January 2018

2 Accounting policies (continued)

Financial instruments

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Short term loans from directors
- Bank borrowings

Basic financial assets and liabilities

Basic financial assets comprise short term trade and other debtors and cash and bank balances. Basic financial liabilities comprise short term trade and other creditors, including short term loans. Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank borrowings

Interest-bearing bank borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing bank borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of effective interest method and is included in interest payable and similar charges.

Bank borrowings are classified as current liabilities, unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 29 January 2017 to 27 January 2018

3 Revenue

The analysis of the company's turnover that arose from UK activities for the period is as follows:

	29 Jan 2017 to 27 Jan 2018	31 Jan 2016 to 28 Jan 2017
	£	£
Sale of goods	<u>44,032,371</u>	<u>41,887,873</u>

4 Operating profit

Arrived at after charging/(crediting)

	29 Jan 2017 to 27 Jan 2018	31 Jan 2016 to 28 Jan 2017
	£	£
Depreciation expense	1,095,005	948,744
Operating lease expense - property	180,546	122,871
Loss/(profit) on disposal of property, plant and equipment	25,068	(3,113)
Profit on disposal of investments	<u>-</u>	<u>(1,015)</u>

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	29 Jan 2017 to 27 Jan 2018	31 Jan 2016 to 28 Jan 2017
	£	£
Wages and salaries	7,305,152	7,185,729
Social security costs	672,369	617,084
Pension costs, defined contribution scheme	<u>102,917</u>	<u>279,682</u>
	<u>8,080,438</u>	<u>8,082,495</u>

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 29 January 2017 to 27 January 2018

5 Staff costs (continued)

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	29 Jan 2017 to 27 Jan 2018 No.	31 Jan 2016 to 28 Jan 2017 No.
Production	106	102
Administration and support	96	104
Distribution	95	93
	<u>297</u>	<u>299</u>

6 Directors' remuneration

The directors' remuneration for the period was as follows:

	29 Jan 2017 to 27 Jan 2018 £	31 Jan 2016 to 28 Jan 2017 £
Remuneration	228,853	255,975
Contributions paid to money purchase schemes	12,177	217,002
	<u>241,030</u>	<u>472,977</u>

During the period the number of directors who were receiving benefits and share incentives was as follows:

	29 Jan 2017 to 27 Jan 2018 No.	31 Jan 2016 to 28 Jan 2017 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>3</u>

In respect of the highest paid director:

	29 Jan 2017 to 27 Jan 2018 £	31 Jan 2016 to 28 Jan 2017 £
Remuneration	141,964	168,851
Company contributions to money purchase pension schemes	<u>12,177</u>	<u>12,002</u>

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 29 January 2017 to 27 January 2018

7 Auditors' remuneration

	29 Jan 2017 to 27 Jan 2018 £	31 Jan 2016 to 28 Jan 2017 £
Audit of the financial statements	<u>18,000</u>	<u>16,000</u>
Other fees to auditors		
Taxation compliance services	3,000	2,500
Other services	<u>3,000</u>	<u>7,700</u>
	<u>6,000</u>	<u>10,200</u>

8 Other interest receivable and similar income

	29 Jan 2017 to 27 Jan 2018 £	31 Jan 2016 to 28 Jan 2017 £
Interest income on bank deposits	<u>340</u>	<u>161</u>

9 Interest payable and similar expenses

	29 Jan 2017 to 27 Jan 2018 £	31 Jan 2016 to 28 Jan 2017 £
Interest on bank overdrafts and borrowings	25,810	48,142
Interest on obligations under finance leases and hire purchase contracts	26,260	31,640
Interest expense on other finance liabilities	-	20,052
	<u>52,070</u>	<u>99,834</u>

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 29 January 2017 to 27 January 2018

10 Taxation

Tax charged/(credited) in the income statement

	29 Jan 2017 to 27 Jan 2018 £	31 Jan 2016 to 28 Jan 2017 £
Current taxation		
UK corporation tax	128,000	50,607
UK corporation tax adjustment to prior periods	(451)	(480)
	<u>127,549</u>	<u>50,127</u>
Deferred taxation		
Arising from origination and reversal of timing differences	(19,000)	(18,000)
Tax expense in the income statement	<u>108,549</u>	<u>32,127</u>

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19.16% (2017 - 20%).

The differences are reconciled below:

	29 January 2017 to 27 January 2018 £	31 January 2016 to 28 January 2017 £
Profit before tax	<u>487,501</u>	<u>228,370</u>
Corporation tax at standard rate	93,405	45,674
Effect of expense not deductible in determining taxable profit (tax loss)	2,830	1,229
Deferred tax expense (credit) relating to changes in tax rates or laws	2,339	(23,340)
Increase (decrease) in UK and foreign current tax from adjustment for prior periods	(451)	(480)
Tax increase (decrease) from effect of capital allowances and depreciation	9,658	8,007
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>768</u>	<u>1,037</u>
Total tax charge	<u>108,549</u>	<u>32,127</u>

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 29 January 2017 to 27 January 2018

10 Taxation (continued)

Deferred tax

Deferred tax assets and liabilities

2018

**Liability
£**

Difference between accumulated depreciation and amortisation and capital allowances

114,000

2017

**Liability
£**

Difference between accumulated depreciation and amortisation and capital allowances

133,000

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 29 January 2017 to 27 January 2018

11 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 29 January 2017	622,500	622,500
At 27 January 2018	622,500	622,500
Amortisation		
At 29 January 2017	622,500	622,500
At 27 January 2018	622,500	622,500
Carrying amount		
At 27 January 2018	-	-
At 28 January 2017	-	-

12 Tangible assets

	Land and buildings £	Fixtures & Fittings £	Motor vehicles £	Plant & Computers £	Total £
Cost or valuation					
At 29 January 2017	2,640,263	362,099	6,414,427	3,463,195	12,879,984
Additions	-	95,505	583,165	843,470	1,522,140
Disposals	-	-	(642,722)	(583)	(643,305)
At 27 January 2018	2,640,263	457,604	6,354,870	4,306,082	13,758,819
Depreciation					
At 29 January 2017	473,833	154,051	4,216,312	2,010,813	6,855,009
Charge for the period	50,403	51,969	551,663	440,970	1,095,005
Eliminated on disposal	-	-	(613,637)	(583)	(614,220)
At 27 January 2018	524,236	206,020	4,154,338	2,451,200	7,335,794
Carrying amount					
At 27 January 2018	2,116,027	251,584	2,200,532	1,854,882	6,423,025
At 28 January 2017	2,166,430	208,048	2,198,115	1,452,382	6,024,975

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 29 January 2017 to 27 January 2018

12 Tangible assets (continued)

Included within the net book value of land and buildings above is £2,060,874 (2017 - £2,103,447) in respect of freehold land and buildings and £55,153 (2017 - £62,983) in respect of short leasehold land and buildings.

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2018 £	2017 £
Motor vehicles	1,890,044	1,441,640
Plant and machinery	103,141	22,620
	<u>1,993,185</u>	<u>1,464,260</u>

Contractual commitments for the acquisition of tangible assets

Contractual commitments for the acquisition of tangible assets were as follows:

	2018 £	2017 £
Motor vehicles	639,009	518,264
Fixtures and fittings	-	498,003
Plant and Computers	506,708	-
	<u>1,145,717</u>	<u>1,016,267</u>

13 Investments in subsidiaries, joint ventures and associates

	27 Jan 2018 £	28 Jan 2017 £
Investments in subsidiaries	<u>10,400</u>	<u>10,400</u>

Subsidiaries	£
Cost or valuation	
At 29 January 2017	<u>10,400</u>
Provision	
Carrying amount	
At 27 January 2018	<u>10,400</u>
At 28 January 2017	<u>10,400</u>

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 29 January 2017 to 27 January 2018

13 Investments in subsidiaries, joint ventures and associates (continued)

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held 2018	2017
Subsidiary undertakings				
Lundy Fish Limited	England and Wales	Ordinary	100%	100%

Lundy Fish Limited is dormant.

The registered office address is the same as that of Philip Dennis Foodservice Limited which is detailed in note 1.

14 Other investments

	27 Jan 2018 £	28 Jan 2017 £
Fixed asset investments		
Other investments	<u>100</u>	<u>100</u>

15 Stocks

	27 Jan 2018 £	28 Jan 2017 £
Finished goods	<u>1,993,508</u>	<u>1,678,772</u>

The cost of stocks recognised as an expense in the period amounted to £30,494,531 (2017 - £29,331,409).

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 29 January 2017 to 27 January 2018

16 Debtors

	27 Jan 2018 £	28 Jan 2017 £
Trade debtors	2,820,020	2,657,669
Amounts owed by group undertakings	266,498	221,863
Other debtors	575,004	670,104
Prepayments	313,994	283,328
	<u>3,975,516</u>	<u>3,832,964</u>

17 Cash and cash equivalents

	27 Jan 2018 £	28 Jan 2017 £
Cash on hand	1,542	2,102
Cash at bank	562,615	507,337
	<u>564,157</u>	<u>509,439</u>

18 Creditors

	Note	27 Jan 2018 £	28 Jan 2017 £
Due within one year			
Loans and borrowings	19	696,402	557,845
Trade creditors		3,210,723	2,954,652
Amounts due to group undertakings		10,400	10,400
Corporation tax	10	119,000	39,000
Social security and other taxes		158,939	138,803
Outstanding defined contribution pension costs		8,294	6,717
Accrued expenses		1,091,183	890,884
		<u>5,294,941</u>	<u>4,598,301</u>
Due after one year			
Loans and borrowings	19	<u>2,693,998</u>	<u>2,656,034</u>

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 29 January 2017 to 27 January 2018

19 Loans and borrowings

	27 Jan 2018 £	28 Jan 2017 £
Current loans and borrowings		
Bank borrowings	200,000	200,000
Hire purchase liabilities	496,402	357,845
	<u>696,402</u>	<u>557,845</u>

Bank borrowings consist of a loan. The bank loan is secured by a legal charge over the company's properties. Interest is charged at 1.1% per annum above LIBOR.

Net obligations under hire purchase agreements are secured by fixed charges over the relevant assets.

	27 Jan 2018 £	28 Jan 2017 £
Non-current loans and borrowings		
Bank borrowings	1,600,000	1,800,000
Hire purchase liabilities	1,093,998	856,034
	<u>2,693,998</u>	<u>2,656,034</u>

Bank borrowings consist of a loan. The bank loan is secured by a legal charge over the company's properties. Interest is charged at 1.1% per annum above LIBOR.

Net obligations under hire purchase agreements are secured by fixed charges over the relevant assets.

20 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments under non-cancellable leases is as follows:

	2018 £	2017 £
Not later than one year	206,218	180,308
Later than one year and not later than five years	506,063	527,263
Later than five years	448,917	536,917
	<u>1,161,198</u>	<u>1,244,488</u>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £180,546 (2017 - £122,871).

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 29 January 2017 to 27 January 2018

21 Deferred tax and other provisions

	Deferred tax £	Dilapidations provision £	Total £
At 29 January 2017	133,000	207,500	340,500
Increase (decrease) in existing provisions	(19,000)	55,500	36,500
At 27 January 2018	<u>114,000</u>	<u>263,000</u>	<u>377,000</u>

22 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £102,917 (2017 - £279,682).

Contributions totalling £8,294 (2017 - £6,717) were payable to the scheme at the end of the period and are included in creditors.

23 Share capital

Allotted, called up and fully paid shares

	No.	27 Jan 2018 £	No.	28 Jan 2017 £
Ordinary A shares of £1 each	85,267	85,267	85,267	85,267
Ordinary B shares of £1 each	20,000	20,000	20,000	20,000
	<u>105,267</u>	<u>105,267</u>	<u>105,267</u>	<u>105,267</u>

There are no voting rights attached to the ordinary B shares. The A and B ordinary shares rank pari passu in all other respects.

24 Related party transactions

Summary of transactions with entities with joint control

A company under joint control provides electricity to the company. During the year the company made purchases of £116,218 (2017: £106,007) from the company under joint control. The company also recharges costs to the company under joint control and total recharges in the year were £7,200 (2017: £41,561). At the balance sheet date the amount due to the company under joint control was £4,800 (2017: £7,271).

Philip Dennis Foodservice Limited

Notes to the Financial Statements

Period from 29 January 2017 to 27 January 2018

24 Related party transactions (continued)

Summary of transactions with other related parties

The company incurred rent payable of £63,117 (2017: £58,200) in respect of its depot at Ilfracombe which is rented from the Philip Dennis Pension Scheme. At the balance sheet date the amount due to the pension scheme in respect of this was £nil (2017: £nil).

25 Parent and ultimate parent undertaking

The company's immediate and ultimate parent is Philip Dennis Foodservice (Holdings) Limited, incorporated in England and Wales. This is the largest and smallest group in which the accounts of the company are consolidated. The registered office of Philip Dennis Foodservice (Holdings) Limited is Mullacott Industrial Estate, Ilfracombe, EX34 8PL.