

ZWANENBERG FOOD UK LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**



WR
Whittingham Riddell
chartered accountants

ZWANENBERG FOOD UK LIMITED

COMPANY INFORMATION

Directors

Mr A Th M Van der Laan
Mr A M Van der Laan (resigned 3 July 2017)
Mr R E M Lotgerink
Mr A M Higginson
Mrs J E Higginson
Mr J D Ashmore
Mr M A Burdekin
Mr J Goodwin
M Gerritsen

Registered number

01032611

Registered office

Station Road
Minsterley
Shropshire
SY5 0DB

Independent auditors

Whittingham Riddell LLP
Chartered Accountants & Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Bankers

ABN AMRO
5 Aldermanbury Square
London
EC2V 7HR

ZWANENBERG FOOD UK LIMITED

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ZWANENBERG FOOD UK LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

INTRODUCTION

The principal activity of the Group is the development, manufacture and marketing of food products manufactured in the UK and products manufactured by group companies in the Netherlands.

BUSINESS REVIEW

The trading performance of the business has declined in the year with the impact of challenging economic conditions including weakened sterling value, increased costs being reflected in the performance. However, the business improvement programme, along with the continued integration of Malton Foods Ltd (acquired in 2013 and now including acquisition in 2016 by Malton Foods Ltd of the relevant trade and assets of Simpson's Ready Foods Ltd), into the Group management and review process still contributes to improvements in underlying Company performance with further progress expected in 2018.

PRINCIPAL RISKS AND UNCERTAINTIES

The risks facing the company are constantly monitored and assessed.

The Group's business activities, financial condition and trading results could be affected by any or all of the following risks and uncertainties:

General business conditions and economy

The directors are of the opinion that the principal risks facing the Group relate to the wider economic conditions which influence raw material cost, pricing and the demand for its products.

The industry continues to encounter difficult economic conditions; the economic revival slow to benefit households has meant that retailers are continuing to place pressure on margins and prices remain under pressure. Continued raw material price inflation has also put pressure on margins.

Foreign Currency

The Group is exposed to foreign currency risk, largely in respect of purchases from the Zwanenberg Group in the Netherlands.

Food safety and regulatory compliance

The Group is subject to food safety and regulatory compliance risk (including Trading Standards and Environmental Health), which could arise from a failure to comply with relevant law, regulation or codes of practice. Failure to comply would result in product recall, fines, cessation of some business activities or a public reprimand.

The Group mitigates this risk through the application of stringent internal compliance procedures which are closely monitored at management and board level. In addition to the tight internal controls, the Group is also subject to regular external checking and audit. This includes independent compliance audits undertaken on behalf of the British Retail Consortium Standard for Food.

ZWANENBERG FOOD UK LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

Health and safety

The factory environment exposes the Group to health and safety risk. The directors are mindful of health and safety regulatory compliance and have in place stringent policies and process which are appropriately communicated and monitored by a designated senior manager on each site.

Innovation and development

The industry is extremely competitive and there is a risk that failure to keep up to date with latest technology and processes could result in the company becoming uncompetitive.

The Group continues to invest in research and development and product innovation.

FINANCIAL KEY PERFORMANCE INDICATORS

The Group is part of Zwanenberg Food Group and uses standard Group key performance indicators to measure and compare performance. The key performance indicators are as follows:

- Turnover
- Gross Profit Margin
- Quality Standards

FUTURE DEVELOPMENTS

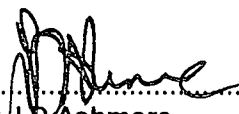
The outlook for 2018 is encouraging, although broader economic challenges and pricing pressures remain. The Group continues to progress with the business integration of Malton Foods Ltd (including the 2016 addition of the relevant trade and assets of Simpson's Ready Foods Ltd where the range is complimentary to the Malton Foods current range enabling the company to offer a broader category approach to the market) and the further development of the business improvement program which will deliverable measureable benefits through 2018.

It is anticipated that the continuing improvement programme at Zwanenberg Food UK Limited will contribute to an improved financial performance and enable the company to meet its targets in the coming year.

OTHER KEY PERFORMANCE INDICATORS

The Company uses a suite of non financial KPI's to monitor and measure success on a regular basis. These KPI's cover areas of the business such as customer service, staff productivity and staff wellbeing.

This report was approved by the board on 19 July 2018 and signed on its behalf.


.....
Mr J D Ashmore
Director

ZWANENBERG FOOD UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £1,918,125 (2016 - loss £1,080,922).

Dividends of £nil (2016: £nil) were paid during the year.

Directors

The directors who served during the year were:

Mr A Th M Van der Laan
Mr A M Van der Laan (resigned 3 July 2017)
Mr R E M Lotgerink
Mr A M Higginson
Mrs J E Higginson
Mr J D Ashmore
Mr M A Burdekin
Mr J Goodwin
M Gerritsen

ZWANENBERG FOOD UK LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

Matters Covered in the Strategic Report

Future developments are disclosed in the Strategic Report.

Employee involvement

The Group places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them.

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

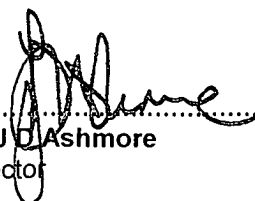
Post balance sheet events

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

Auditors

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

This report was approved by the board on 19 July 2018 and signed on its behalf.


.....
Mr J D Ashmore
Director

ZWANENBERG FOOD UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ZWANENBERG FOOD UK LIMITED

Opinion

We have audited the financial statements of Zwanenberg Food UK Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2017, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, 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 Group's and of the parent Company's affairs as at 31 December 2017 and of the Group's loss 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

ZWANENBERG FOOD UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ZWANENBERG FOOD UK LIMITED (CONTINUED)

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 Auditors' 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.

Opinion on other matters 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 Group 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 Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

ZWANENBERG FOOD UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ZWANENBERG FOOD UK LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, 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 Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

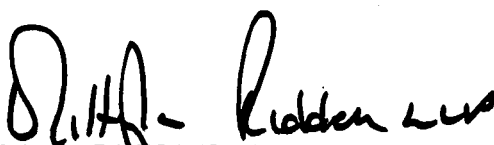
Auditors' responsibilities for the audit of the financial statements

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

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



Andrew Malpass BA FCA (Senior statutory auditor)

for and on behalf of

Whittingham Riddell LLP

Chartered Accountants
Statutory Auditors

Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

10 August 2018

ZWANENBERG FOOD UK LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Turnover	4	69,102,220	65,335,545
Cost of sales		(60,187,977)	(55,168,358)
Exceptional cost of sales		-	(175,546)
GROSS PROFIT		8,914,243	9,991,641
Distribution costs		(480,499)	(489,591)
Administrative expenses		(10,062,762)	(10,182,671)
OPERATING LOSS	5	(1,629,018)	(680,621)
Interest payable and expenses	9	(289,107)	(400,301)
LOSS BEFORE TAXATION		(1,918,125)	(1,080,922)
LOSS FOR THE YEAR		(1,918,125)	(1,080,922)
Owners of the parent Company		(1,918,125)	(1,080,922)
		(1,918,125)	(1,080,922)
Owners of the parent Company		(1,918,125)	(1,080,922)
		(1,918,125)	(1,080,922)

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 14 to 33 form part of these financial statements.

ZWANENBERG FOOD UK LIMITED
REGISTERED NUMBER: 01032611

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Intangible assets	12	719,281	809,671
Tangible assets	13	12,874,980	12,586,441
Investments	14	67,607	67,607
		<u>13,661,868</u>	<u>13,463,719</u>
CURRENT ASSETS			
Stocks	15	8,459,497	7,995,050
Debtors: amounts falling due within one year	16	11,486,566	11,684,763
Cash at bank and in hand	17	2,931,226	2,239,454
		<u>22,877,289</u>	<u>21,919,267</u>
Creditors: amounts falling due within one year	18	(21,830,588)	(18,753,842)
NET CURRENT ASSETS		<u>1,046,701</u>	<u>3,165,425</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,708,569</u>	<u>16,629,144</u>
Creditors: amounts falling due after more than one year	19	-	(2,450)
PROVISIONS FOR LIABILITIES			
NET ASSETS		<u>14,708,569</u>	<u>16,626,694</u>
CAPITAL AND RESERVES			
Called up share capital	22	2,500,000	2,500,000
Profit and loss account		12,208,569	14,126,694
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		<u>14,708,569</u>	<u>16,626,694</u>
		<u>14,708,569</u>	<u>16,626,694</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 July 2018.

.....
Mr J D Ashmore
 Director

The notes on pages 14 to 33 form part of these financial statements.

ZWANENBERG FOOD UK LIMITED
REGISTERED NUMBER: 01032611

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	13	9,189,125	9,414,806
Investments	14	67,608	67,608
		<u>9,256,733</u>	<u>9,482,414</u>
CURRENT ASSETS			
Stocks	15	6,485,700	6,002,391
Debtors: amounts falling due within one year	16	16,437,501	16,758,184
Cash at bank and in hand	17	2,814,076	2,006,144
		<u>25,737,277</u>	<u>24,766,719</u>
Creditors: amounts falling due within one year	18	(17,596,551)	(15,521,533)
NET CURRENT ASSETS		<u>8,140,726</u>	<u>9,245,186</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>17,397,459</u>	<u>18,727,600</u>
NET ASSETS EXCLUDING PENSION ASSET		<u>17,397,459</u>	<u>18,727,600</u>
NET ASSETS		<u>17,397,459</u>	<u>18,727,600</u>
CAPITAL AND RESERVES			
Called up share capital	22	2,500,000	2,500,000
Profit and loss account		14,897,459	16,227,600
		<u>17,397,459</u>	<u>18,727,600</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 July 2018.

.....
Mr J B Ashmore
Director

ZWANENBERG FOOD UK LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£
At 1 January 2017	2,500,000	14,126,694	16,626,694	16,626,694
COMPREHENSIVE INCOME FOR THE YEAR				
Loss for the year	-	(1,918,125)	(1,918,125)	(1,918,125)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>-</u>	<u>(1,918,125)</u>	<u>(1,918,125)</u>	<u>(1,918,125)</u>
AT 31 DECEMBER 2017	<u>2,500,000</u>	<u>12,208,569</u>	<u>14,708,569</u>	<u>14,708,569</u>

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

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£
At 1 January 2016	2,500,000	15,207,616	17,707,616	17,707,616
COMPREHENSIVE INCOME FOR THE YEAR				
Loss for the year	-	(1,080,922)	(1,080,922)	(1,080,922)
AT 31 DECEMBER 2016	<u>2,500,000</u>	<u>14,126,694</u>	<u>16,626,694</u>	<u>16,626,694</u>

The notes on pages 14 to 33 form part of these financial statements.

ZWANENBERG FOOD UK LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2017	2,500,000	16,227,600	18,727,600
Loss for the year	-	(1,330,141)	(1,330,141)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(1,330,141)	(1,330,141)
AT 31 DECEMBER 2017	2,500,000	14,897,459	17,397,459

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2016	2,500,000	16,637,784	19,137,784
Loss for the year	-	(410,184)	(410,184)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(410,184)	(410,184)
AT 31 DECEMBER 2016	2,500,000	16,227,600	18,727,600

The notes on pages 14 to 33 form part of these financial statements.

ZWANENBERG FOOD UK LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 £	2016 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the financial year	(1,918,125)	(1,080,922)
ADJUSTMENTS FOR:		
Amortisation of intangible assets	90,390	54,155
Depreciation of tangible assets	2,374,851	2,272,665
Loss on disposal of tangible assets	(25,598)	14,177
Interest paid	289,107	400,301
(Increase) in stocks	(464,447)	(74,143)
Decrease/(increase) in debtors	198,197	(2,370,090)
Decrease in amounts owed by groups	-	437,338
(Decrease) in creditors	(1,221,452)	(492,796)
Increase/(decrease) in amounts owed to groups	839,832	(256,911)
Corporation tax (paid)	(264,559)	(88,489)
NET CASH GENERATED FROM OPERATING ACTIVITIES	(101,804)	(1,184,715)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible fixed assets	-	(765,500)
Purchase of tangible fixed assets	(2,865,029)	(2,779,972)
Sale of tangible fixed assets	227,237	535,745
HP interest paid	(1,501)	(1,654)
NET CASH FROM INVESTING ACTIVITIES	(2,639,293)	(3,011,381)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of/new finance leases	(9,800)	(10,617)
Movements on invoice discounting	-	(2,385)
Interest paid	(287,607)	(398,647)
NET CASH USED IN FINANCING ACTIVITIES	(297,407)	(411,649)
(DECREASE) IN CASH AND CASH EQUIVALENTS	(3,038,504)	(4,607,745)
Cash and cash equivalents at beginning of year	(2,007,799)	2,599,946
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	(5,046,303)	(2,007,799)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	2,931,226	2,239,454
Bank overdrafts	(7,977,529)	(4,247,253)
	(5,046,303)	(2,007,799)

ZWANENBERG FOOD UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. GENERAL INFORMATION

The principal activities are the production and manufacture of food and food production. The Company operates in England and Wales and is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is noted on the reference and administration page.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

2.3 Going concern

The company is reliant on the continued support of its parent, Meatpoint B.V. The company is in the process of reorganising its operation in order to bring it to profitability. The parent company to Zwanenberg Food UK Limited have confirmed that they will provide this support for the foreseeable future therefore the directors have prepared the accounts on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and loss account over its useful economic life.

The estimated useful lives range as follows:

Goodwill	-	10	years
Trademarks	-	10	years

Trademarks

Trademarks are initially recognised at cost. After recognition, under the cost model, Trademarks are measured at cost less any accumulated amortisation and any accumulated impairment losses.

2.6 Tangible fixed assets

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 4% and 2% on cost
Plant and machinery	- 20% and 10% on cost
Motor vehicles	- 25% and 20% on cost
Assets under construction	- Not depreciated
Other fixed assets	- 25% and 10% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Stock

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

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

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. ACCOUNTING POLICIES (CONTINUED)

2.11 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Finance costs

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. ACCOUNTING POLICIES (CONTINUED)

2.14 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.15 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.16 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

2.17 Taxation

Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

2.18 Exceptional items

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

ZWANENBERG FOOD UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

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.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. In the opinion of the directors there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

4. TURNOVER

The whole of the turnover is attributable from the sale of food products.

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	67,860,531	63,439,531
Rest of Europe	1,137,362	1,835,166
Rest of the world	104,327	60,848
	<u>69,102,220</u>	<u>65,335,545</u>

5. OPERATING LOSS

The operating loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	2,374,851	2,272,666
(Profit)/loss on disposal of fixed assets	(16,548)	14,177
Amortisation of intangible assets, including goodwill	90,390	50,015
Exchange differences	6,779	19,425
Other operating lease rentals	35,476	-
Defined contribution pension cost	315,599	253,303
	<u>315,599</u>	<u>253,303</u>

ZWANENBERG FOOD UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

6. AUDITORS' REMUNERATION

	2017 £	2016 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>61,150</u>	<u>59,905</u>
FEES PAYABLE TO THE GROUP'S AUDITOR AND ITS ASSOCIATES IN RESPECT OF:		
Audit-related assurance services	5,500	5,400
Taxation compliance services	4,000	3,975
All other services	9,000	8,850
	<u>18,500</u>	<u>18,225</u>

7. EMPLOYEES

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

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Wages and salaries	17,796,131	16,595,022	14,112,375	13,642,073
Social security costs	1,204,323	1,126,147	915,219	873,299
Cost of defined contribution scheme	315,599	253,303	266,732	218,681
	<u>19,316,053</u>	<u>17,974,472</u>	<u>15,294,326</u>	<u>14,734,053</u>

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

	Group 2017 No.	Group 2016 No.	Company 2017 No.	Company 2016 No.
	<u>563</u>	<u>526</u>	<u>435</u>	<u>407</u>

ZWANENBERG FOOD UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

8. DIRECTORS' REMUNERATION

	2017 £	2016 £
Directors' emoluments	1,333,276	1,514,034
Company contributions to defined contribution pension schemes	55,866	36,519
	<u>1,389,142</u>	<u>1,550,553</u>

During the year retirement benefits were accruing to 1 directors (2016 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £390,000 (2016 - £316,123).

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £	2016 £
Overdraft interest payable	70,923	-
Other loan interest payable	195,883	392,253
Finance leases and hire purchase contracts	1,501	1,654
Other interest payable	20,800	6,394
	<u>289,107</u>	<u>400,301</u>

Included in other loan interest payable in 2016 is intercompany interest charged by Meatpoint B.V, the ultimate parent company of Zwanenberg Food UK Limited.

10. TAXATION

	2017 £	2016 £
TOTAL CURRENT TAX	<u>-</u>	<u>-</u>

ZWANENBERG FOOD UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

10. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is the same as (2016 - *higher than*) the standard rate of corporation tax in the UK of 19.25% (2016 - 20.0%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	(1,918,125)	(1,080,922)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20.0%)	(369,239)	(209,154)
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and impairment	22,175	18,939
Capital allowances for year in excess of depreciation	67,872	111,764
Unrelieved tax losses carried forward	279,192	78,451
TOTAL TAX CHARGE/(CREDIT) FOR THE YEAR	-	-

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

At Summer Budget 2015, the government announced legislation setting the Corporation Tax main rate at 19% (effective 1 April 2017) and 18% (effective 1 April 2020). At Budget 2016, the government announced a further reduction to the Corporation Tax main rate to 17% (effective 1 April 2020) and this rate was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

11. EXCEPTIONAL ITEMS

	2017 £	2016 £
Acquisition Costs	-	175,546
	-	175,546

ZWANENBERG FOOD UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

12. INTANGIBLE ASSETS

Group and Company

	Trademarks £	Goodwill £	Total £
COST			
At 1 January 2017	333,690	549,206	882,896
At 31 December 2017	333,690	549,206	882,896
AMORTISATION			
At 1 January 2017	16,684	56,541	73,225
Charge for the year	33,650	56,740	90,390
At 31 December 2017	50,334	113,281	163,615
NET BOOK VALUE			
At 31 December 2017	283,356	435,925	719,281
At 31 December 2016	317,006	492,665	809,671

ZWANENBERG FOOD UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

13. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Assets Under Construction £	Other fixed assets £	Total £
COST OR VALUATION						
At 1 January 2017	7,126,636	29,196,705	389,671	197,392	1,152,380	38,062,784
Additions	148,777	2,481,405	102,189	113,591	19,067	2,865,029
Disposals	-	(179,801)	(94,971)	-	-	(274,772)
Transfers between classes	-	197,212	-	(197,212)	-	-
At 31 December 2017	7,275,413	31,695,521	396,889	113,771	1,171,447	40,653,041
DEPRECIATION						
At 1 January 2017	3,609,780	20,642,758	229,277	-	994,528	25,476,343
Charge for the year on owned assets	203,700	2,048,969	80,710	-	41,472	2,374,851
Disposals	-	(2,637)	(70,496)	-	-	(73,133)
At 31 December 2017	3,813,480	22,689,090	239,491	-	1,036,000	27,778,061
NET BOOK VALUE						
At 31 December 2017	3,461,933	9,006,431	157,398	113,771	135,447	12,874,980
At 31 December 2016	3,516,856	8,553,947	160,394	197,392	157,852	12,586,441

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

	2017 £	2016 £
Plant and machinery	-	4,781
	-	4,781

ZWANENBERG FOOD UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

13. TANGIBLE FIXED ASSETS (CONTINUED)

Company

	Freehold property £	Plant and machinery £	Motor vehicles £	Assets under Construction £	Other fixed assets £	Total £
COST OR VALUATION						
At 1 January 2017	6,113,471	24,814,796	300,158	197,392	1,152,380	32,578,197
Additions	121,286	1,474,768	102,189	113,591	19,067	1,830,901
Disposals	-	(158,801)	(73,359)	-	-	(232,160)
Transfers between classes	-	197,212	-	(197,212)	-	-
At 31 December 2017	6,234,757	26,327,975	328,988	113,771	1,171,447	34,176,938
DEPRECIATION						
At 1 January 2017	3,451,812	18,497,209	219,842	-	994,528	23,163,391
Charge for the year on owned assets	171,149	1,616,998	61,033	-	41,472	1,890,652
Disposals	-	(1,587)	(64,643)	-	-	(66,230)
At 31 December 2017	3,622,961	20,112,620	216,232	-	1,036,000	24,987,813
NET BOOK VALUE						
At 31 December 2017	2,611,796	6,215,355	112,756	113,771	135,447	9,189,125
At 31 December 2016	2,661,659	6,317,587	80,316	197,392	157,852	9,414,806

ZWANENBERG FOOD UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

14. FIXED ASSET INVESTMENTS

Group

	Other fixed asset investments £
COST OR VALUATION	
At 1 January 2017	307,819
At 31 December 2017	307,819
IMPAIRMENT	
At 1 January 2017	240,212
At 31 December 2017	240,212
NET BOOK VALUE	
At 31 December 2017	67,607
At 31 December 2016	67,607

ZWANENBERG FOOD UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

14. FIXED ASSET INVESTMENTS (CONTINUED)

Company

	Other fixed asset investments £
COST OR VALUATION	
At 1 January 2017	307,820
At 31 December 2017	307,820
IMPAIRMENT	
At 1 January 2017	240,212
At 31 December 2017	240,212
NET BOOK VALUE	
At 31 December 2017	67,608
At 31 December 2016	67,608

ZWANENBERG FOOD UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

15. STOCKS

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
Raw materials and consumables	4,610,895	4,196,382	3,645,438	3,292,975
Work in progress (goods to be sold)	495,075	402,930	470,404	349,472
Finished goods and goods for resale	3,353,527	3,395,738	2,369,858	2,359,944
	<u>8,459,497</u>	<u>7,995,050</u>	<u>6,485,700</u>	<u>6,002,391</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Group

Stock recognised in cost of sales during the year as an expense was £38,742,915 (2016: £34,571,960).

An impairment loss of £488,505 (2016: £272,588) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

Company

Stock recognised in cost of sales during the year as an expense was £30,984,294 (2016: £28,877,412).

An impairment loss of £250,526 (2016: £93,459) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

16. DEBTORS

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
Trade debtors	10,488,846	10,597,231	7,911,506	8,715,550
Amounts owed by group undertakings	96,316	96,316	8,009,126	7,522,346
Other debtors	647,238	761,756	308,691	336,284
Prepayments and accrued income	254,166	229,461	208,178	184,004
	<u>11,486,566</u>	<u>11,684,764</u>	<u>16,437,501</u>	<u>16,758,184</u>

Group

An impairment loss of £Nil (2016: £17,220) was recognised in expenses against trade debtors during the year.

Company

An impairment loss of £Nil (2016: £17,220) was recognised in expenses against trade debtors during the year.

ZWANENBERG FOOD UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

17. CASH AND CASH EQUIVALENTS

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	2,931,226	2,239,454	2,814,077	2,006,144
Less: bank overdrafts	(7,977,529)	(4,247,253)	(5,830,024)	(3,590,718)
	<u>(5,046,303)</u>	<u>(2,007,799)</u>	<u>(3,015,947)</u>	<u>(1,584,574)</u>

18. CREDITORS: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Bank overdrafts	7,977,529	4,247,253	5,830,024	3,590,718
Trade creditors	3,447,656	4,060,898	2,687,685	2,994,643
Amounts owed to group undertakings	7,380,179	6,540,347	6,295,132	5,422,077
Corporation tax	-	264,559	-	264,559
Taxation and social security	308,251	308,854	250,180	232,147
Obligations under finance lease and hire purchase contracts	2,450	9,800	-	-
Other creditors	68,959	90,966	27,455	16,734
Accruals and deferred income	2,645,564	3,231,166	2,506,075	3,000,655
	<u>21,830,588</u>	<u>18,753,843</u>	<u>17,596,551</u>	<u>15,521,533</u>

19. CREDITORS: Amounts falling due after more than one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Net obligations under finance leases and hire purchase contracts	-	2,450	-	-
	<u>-</u>	<u>2,450</u>	<u>-</u>	<u>-</u>

ZWANENBERG FOOD UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

20. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	<i>Group 2016 £</i>	<i>Company 2016 £</i>
Within one year	9,800	9,800
Between 1-5 years	4,067	13,067
	<u>13,867</u>	<u>22,867</u>

21. FINANCIAL INSTRUMENTS

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
Financial assets that are debt instruments measured at amortised cost	11,232,400	11,431,891	16,229,323	16,574,180
	<u>11,232,400</u>	<u>11,431,891</u>	<u>16,229,323</u>	<u>16,574,180</u>
Financial liabilities measured at amortised cost	(20,760,161)	(18,146,811)	(17,346,372)	(15,024,827)
	<u>(20,760,161)</u>	<u>(18,146,811)</u>	<u>(17,346,372)</u>	<u>(15,024,827)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, intercompany creditors, loans, accruals and other creditors.

22. SHARE CAPITAL

	2017 £	<i>2016 £</i>
Allotted, called up and fully paid		
1 Share Capital share of £2,500,000	2,500,000	2,500,000
	<u>2,500,000</u>	<u>2,500,000</u>

23. CONTINGENT LIABILITIES

The land & buildings of Malton Foods Limited are pledged as security for the ultimate parent company, Meatpoint B.V as part of their facilities agreements with ABN Amro Commercial Finance N.V and Cooperative Rabobank U.A.

ZWANENBERG FOOD UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

24. CAPITAL COMMITMENTS

At 31 December 2017 the Group and Company had capital commitments as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Contracted for but not provided in these financial statements	372,920	15,742	372,920	15,742
	<u>372,920</u>	<u>15,742</u>	<u>372,920</u>	<u>15,742</u>

25. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets 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 £301,599 (2016: £253,303).

26. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Not later than 1 year	49,749	61,812	44,372	55,895
Later than 1 year and not later than 5 years	20,262	70,520	14,593	61,493
TOTAL	<u>70,011</u>	<u>132,332</u>	<u>58,965</u>	<u>117,388</u>

27. OTHER FINANCIAL COMMITMENTS

The company is involved in a group wide refinancing program and has agreed to act as cross guarantor to the parent undertaking Meatpoint B.V.

The assets of Zwanenberg Food UK Limited over which the relevant facilities are secured are:

A first mortgage over real estate; and a deed of pledge with respect to receivables, machinery, inventory and stock.

The Directors believe this finance package adds substantiality to the ongoing security of the business and provides funding for further growth.

ZWANENBERG FOOD UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

28. RELATED PARTY TRANSACTIONS

As the company is a wholly owned subsidiary of Meatpoint BV, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The financial statements of Meatpoint BV, the ultimate parent company of the group, are publicly available.

At the year end, Malton Foods Limited owed £1,098,322 (2016: £1,035,296) to its ultimate parent company, Meatpoint B.V.

At the year end, Zwanenberg Food UK Limited owed £6,295,132 (2016: £5,112,798) to its ultimate parent company, Meatpoint B.V.

At the year end, Zwanenberg Food UK Limited was owed £96,316 (2016: £96,316) from a fellow subsidiary company, T.O.F.C B.V.

During the year Zwanenberg Food UK Limited purchased £1,653,000 (2016: £1,602,000) from its ultimate parent company, Meatpoint B.V. During the year Zwanenberg Food UK Limited made sales of £nil (2016: 390,000) to its ultimate parent company, Zwanenberg B.V.

During the year Zwanenberg Food UK Limited purchased £72,000 (2016: £41,000) from a fellow subsidiary company, Boekos B.V.

29. CONTROLLING PARTY

Meatpoint BV, which is incorporated with limited liability in the Netherlands and owns all the share capital of the company, is owned by the personal holding companies of Mr A M van der Laan's adult children, Mr A Th M van der Laan and his immediate family, Mrs J C M Stevens van der Laan and two other adult members of his family. Mr A M van der Laan continues as a director of the company and its subsidiaries except for Marston Food Marketing Limited.

ZWANENBERG FOOD UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

30. SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Malton Foods Ltd	Ordinary	100 %	Food Production
Marston Food Marketing Ltd	Ordinary	100 %	Dormant
Puredrive Finefoods Ltd	Ordinary	100 %	Dormant
Rea Valley Speciality Foods Ltd	Ordinary	100 %	Dormant