

COMPANY REGISTRATION NUMBER: 01580862

GLOBAL FOODS LIMITED
FINANCIAL STATEMENTS
30 APRIL 2018



GLOBAL FOODS LIMITED

FINANCIAL STATEMENTS

Year ended 30 April 2018

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GLOBAL FOODS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Ms N Ahmad-Vellani
Ms S G Kriss
Mr A Wahid
Mr M Yaqub
Mr M Ali

Registered office

1-3 Stadium Close
Penarth Road
Cardiff
CF11 8TS

Auditor

Kilsby & Williams LLP
Chartered accountants & statutory auditor
Cedar House
Hazell Drive
Newport
NP10 8FY

GLOBAL FOODS LIMITED

STRATEGIC REPORT

Year ended 30 April 2018

Review of the business

The results for the year and the financial position at the year end are considered satisfactory by the director.

The principal activity of the company during the year was that of a cash and carry wholesaler.

The director believes the main performance indicators are turnover and the gross profit margin. Performance of the company was as follows:

	2018	2017
	£'000	£'000
Turnover	83,894	75,802
Gross Profit (%)	8	9
Operating profit	1,609	1,618

The turnover has continued to increase and margins have been maintained.

Principal risks and uncertainties

The principal risks and uncertainties facing the business are as follows:

The industry is extremely competitive with the market being served by numerous competitors, ranging from national retailers to other independent wholesalers. The company closely monitors its competitors activities and ensures it continues to improve prices and service to customers.

The business will also be impacted by the current economic situation nationally and internationally. Difficulties affecting its customer base may impact on the company. However at this moment in time this does not appear to be the case. The company continues to widen its customer and distribution base.

Availability of credit and working capital is essential for the company's financial performance. The company closely manages credit terms to ensure that they are met.

The directors feel that the company is in a strong position to face any coming uncertainties that may arise.

This report was approved by the board of directors on 14-12-2018 and signed on behalf of the board by:



Mr M Yaqub
Director

GLOBAL FOODS LIMITED

DIRECTORS' REPORT

Year ended 30 April 2018

The directors present their report and the financial statements of the company for the year ended 30 April 2018.

Directors

The directors who served the company during the year were as follows:

Mr M Yaqub	
Mr M Ali	
Ms N Ahmad-Vellani	(Appointed 30 October 2017)
Ms S G Kriss	(Appointed 30 October 2017)
Mr A Wahid	(Appointed 30 October 2017)

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Future developments

The directors expect the general level of activity to remain consistent with 2018 in the forthcoming year. The directors are looking into ways to expand the cash and carry side for the business which should result in an improvement in gross profit margin.

Financial instruments

The company's principal instruments comprise bank balances, trade creditors, trade debtors, and other loans due from the company. The main purpose of these instruments is to raise funds and to finance the company's operations.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

In respect of loans these comprise loans from banks. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 I set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' 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 the profit or loss of the company for that period.

GLOBAL FOODS LIMITED

DIRECTORS' REPORT *(continued)*

Year ended 30 April 2018

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

- select suitable accounting policies 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 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

This report was approved by the board of directors on 14-12-2018 and signed on behalf of the board by:



Mr M Yaqub
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL FOODS LIMITED

Year ended 30 April 2018

Opinion

We have audited the financial statements of Global Foods Limited (the 'company') for the year ended 30 April 2018 which comprise the profit and loss account, balance sheet, statement of cash flows 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

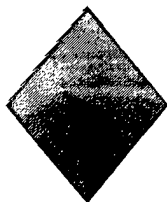
Basis for opinion

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.



**KILSBY
WILLIAMS**
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL FOODS LIMITED *(continued)*

Year ended 30 April 2018

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL FOODS
LIMITED** *(continued)*

Year ended 30 April 2018

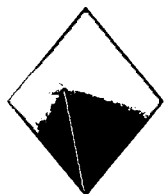
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



**KILSBY
WILLIAMS**
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL FOODS
LIMITED** *(continued)*

Year ended 30 April 2018

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Ataf Salim (Senior Statutory Auditor)

**For and on behalf of
Kilsby & Williams LLP
Chartered accountants & statutory auditor
Cedar House
Hazell Drive
Newport
NP10 8FY**

02/01/2019

GLOBAL FOODS LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 April 2018

	Note	2018 £	2017 £
TURNOVER	4	83,893,530	75,801,687
Cost of sales		(76,861,671)	(69,357,892)
GROSS PROFIT		7,031,859	6,443,795
Administrative expenses		(5,422,579)	(4,826,247)
OPERATING PROFIT	5	1,609,280	1,617,548
Other interest receivable and similar income	9	–	2,694
Interest payable and similar expenses	10	(27,467)	(25,760)
PROFIT BEFORE TAXATION		1,581,813	1,594,482
Tax on profit	11	(307,517)	(322,648)
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>1,274,296</u>	<u>1,271,834</u>
Dividends paid and payable	12	(480,000)	(10,000)
RETAINED EARNINGS AT THE START OF THE YEAR		<u>10,406,921</u>	<u>9,145,087</u>
RETAINED EARNINGS AT THE END OF THE YEAR		<u>11,201,217</u>	<u>10,406,921</u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 23 form part of these financial statements.

GLOBAL FOODS LIMITED

BALANCE SHEET

30 April 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Tangible assets	13	3,138,869	3,106,143
Investments	14	21,970	21,970
		<u>3,160,839</u>	<u>3,128,113</u>
CURRENT ASSETS			
Stocks	15	10,550,208	9,621,859
Debtors	16	3,645,491	5,262,230
Cash at bank and in hand		1,806,050	1,497,751
		<u>16,001,749</u>	<u>16,381,840</u>
CREDITORS: amounts falling due within one year	17	(6,938,330)	(8,066,797)
NET CURRENT ASSETS		<u>9,063,419</u>	<u>8,315,043</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		12,224,258	11,443,156
CREDITORS: amounts falling due after more than one year	18	(909,383)	(936,781)
PROVISIONS	20	(113,558)	(99,354)
NET ASSETS		<u>11,201,317</u>	<u>10,407,021</u>
CAPITAL AND RESERVES			
Called up share capital	24	80	80
Capital redemption reserve	25	20	20
Profit and loss account	25	11,201,217	10,406,921
SHAREHOLDERS FUNDS		<u>11,201,317</u>	<u>10,407,021</u>

These financial statements were approved by the board of directors and authorised for issue on 14.12.18....., and are signed on behalf of the board by:



Mr M Yaqub
Director

Company registration number: 01580862

The notes on pages 12 to 23 form part of these financial statements.

GLOBAL FOODS LIMITED

STATEMENT OF CASH FLOWS

Year ended 30 April 2018

	2018 £	2017 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	1,274,296	1,271,834
<i>Adjustments for:</i>		
Depreciation of tangible assets	225,350	213,546
Other interest receivable and similar income	–	(2,694)
Interest payable and similar expenses	27,467	25,760
(Gains)/loss on disposal of tangible assets	(840)	7,500
Tax on profit	307,517	322,648
Accrued (income)/expenses	(80,357)	34,748
<i>Changes in:</i>		
Stocks	(928,349)	(1,329,624)
Trade and other debtors	1,616,739	(1,351,122)
Trade and other creditors	(1,014,693)	983,390
Cash generated from operations	1,427,130	175,986
Interest paid	(27,467)	(25,760)
Interest received	–	2,694
Tax paid	(337,053)	(277,317)
Net cash from/(used in) operating activities	<u>1,062,610</u>	<u>(124,397)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(106,686)	(112,296)
Proceeds from sale of tangible assets	5,251	7,399
Purchases of other investments	–	(1,610)
Net cash used in investing activities	<u>(101,435)</u>	<u>(106,507)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	–	10,000
Repayments of borrowings	(58,167)	(38,490)
Payments of finance lease liabilities	(114,709)	(91,170)
Dividends paid	(480,000)	(10,000)
Net cash used in financing activities	<u>(652,876)</u>	<u>(129,660)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	308,299	(360,564)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,497,751</u>	<u>1,858,315</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>1,806,050</u>	<u>1,497,751</u>

The notes on pages 12 to 23 form part of these financial statements.

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2018

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 1-3 Stadium Close, Penarth Road, Cardiff, CF11 8TS.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Useful economic life of tangible fixed assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated economic lives and residual values of the assets. The useful lives and residual values are re-assesses annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 April 2018

3. ACCOUNTING POLICIES *(continued)*

Judgements and key sources of estimation uncertainty *(continued)*

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Stocks

Stock is assessed for evidence of obsolescence and a provision is made against any items unlikely to be sold for less than cost.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 April 2018

3. ACCOUNTING POLICIES *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land and buildings	-	2% straight line method in buildings and nil on land
Fixtures and fittings	-	15% reducing balance
Motor vehicles	-	25% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the balance sheet as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 April 2018

3. ACCOUNTING POLICIES *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 April 2018

Supplier rebates

The company has a number of arrangements in place with suppliers in connection with the purchase of goods for resale. These rebates are only recognised when earned by the company.

4. TURNOVER

Turnover arises from:

	2018	2017
	£	£
Sale of goods	<u>83,893,530</u>	<u>75,801,687</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. OPERATING PROFIT

Operating profit or loss is stated after charging/crediting:

	2018	2017
	£	£
Depreciation of tangible assets	225,350	213,546
(Gains)/loss on disposal of tangible assets	(840)	7,500
Cost of stocks recognised as an expense	77,073,714	69,632,028
Impairment of trade debtors	316,602	28,793
Operating lease rentals	<u>—</u>	<u>5</u>

6. AUDITOR'S REMUNERATION

	2018	2017
	£	£
Fees payable for the audit of the financial statements	<u>9,500</u>	<u>9,000</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	750	700
Other non-audit services	<u>9,597</u>	<u>900</u>
	<u>10,347</u>	<u>1,600</u>

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 April 2018

7. STAFF COSTS

The average number of persons employed by the company during the year, including the directors, amounted to:

	2018	2017
	No.	No.
Administrative staff	12	12
Management staff	6	6
Number of sales and delivery staff	99	90
	<u>117</u>	<u>108</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018	2017
	£	£
Wages and salaries	3,430,739	3,301,014
Social security costs	355,332	313,830
Other pension costs	67,427	54,544
	<u>3,853,498</u>	<u>3,669,388</u>

8. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services was:

	2018	2017
	£	£
Remuneration	274,315	229,310
Company contributions to defined contribution pension plans	581	–
	<u>274,896</u>	<u>229,310</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2018	2017
	No.	No.
Defined contribution plans	<u>2</u>	<u>–</u>

Remuneration of the highest paid director in respect of qualifying services:

	2018	2017
	£	£
Aggregate remuneration	<u>127,046</u>	<u>127,385</u>

9. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2018	2017
	£	£
Interest on cash and cash equivalents	<u>–</u>	<u>2,694</u>

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 April 2018

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 £	2017 £
Interest on banks loans and overdrafts	10,585	10,969
Interest on obligations under finance leases and hire purchase contracts	16,882	14,791
	<u>27,467</u>	<u>25,760</u>

11. TAX ON PROFIT

Major components of tax expense

	2018 £	2017 £
Current tax:		
UK current tax expense	293,313	339,046
Adjustments in respect of prior periods	–	(8,228)
Total current tax	<u>293,313</u>	<u>330,818</u>
Deferred tax:		
Origination and reversal of timing differences	14,204	(8,170)
Tax on profit	<u>307,517</u>	<u>322,648</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 19%).

	2018 £	2017 £
Profit on ordinary activities before taxation	1,581,813	1,594,482
Profit on ordinary activities by rate of tax	300,544	302,952
Adjustment to tax charge in respect of prior periods	–	(8,228)
Effect of expenses not deductible for tax purposes	570	15,791
Effect of capital allowances and depreciation	8,074	9,531
Effect of different UK tax rates on some earnings	(1,671)	2,602
Tax on profit	<u>307,517</u>	<u>322,648</u>

12. DIVIDENDS

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2018 £	2017 £
Dividends on equity shares	<u>480,000</u>	<u>10,000</u>

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 April 2018

13. TANGIBLE ASSETS

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 May 2017	2,916,367	1,291,871	665,531	4,873,769
Additions	–	49,335	213,152	262,487
Disposals	–	–	(16,645)	(16,645)
At 30 April 2018	<u>2,916,367</u>	<u>1,341,206</u>	<u>862,038</u>	<u>5,119,611</u>
Depreciation				
At 1 May 2017	540,072	843,238	384,316	1,767,626
Charge for the year	46,719	70,664	107,967	225,350
Disposals	–	–	(12,234)	(12,234)
At 30 April 2018	<u>586,791</u>	<u>913,902</u>	<u>480,049</u>	<u>1,980,742</u>
Carrying amount				
At 30 April 2018	<u>2,329,576</u>	<u>427,304</u>	<u>381,989</u>	<u>3,138,869</u>
At 30 April 2017	<u>2,376,295</u>	<u>448,633</u>	<u>281,215</u>	<u>3,106,143</u>

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Fixtures and fittings £	Motor vehicles £	Total £
At 30 April 2018	<u>183,537</u>	<u>286,567</u>	<u>470,104</u>
At 30 April 2017	<u>215,926</u>	<u>199,360</u>	<u>415,286</u>

14. INVESTMENTS

	Other investments other than loans £
Cost	
At 1 May 2017 and 30 April 2018	<u>21,970</u>
Impairment	
At 1 May 2017 and 30 April 2018	<u>–</u>
Carrying amount	
At 30 April 2018	<u>21,970</u>
At 30 April 2017	<u>21,970</u>

Other investments relate to unlisted investments which are held at costs less impairment.

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 April 2018

15. STOCKS

	2018 £	2017 £
Stock	<u>10,550,208</u>	<u>9,621,859</u>

16. DEBTORS

	2018 £	2017 £
Trade debtors	3,226,705	4,644,226
Prepayments and accrued income	<u>418,786</u>	<u>618,004</u>
	<u>3,645,491</u>	<u>5,262,230</u>

17. CREDITORS: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	37,237	38,042
Trade creditors	6,252,396	7,138,318
Accruals and deferred income	41,873	122,230
Corporation tax	287,718	331,458
Social security and other taxes	160,997	289,768
Obligations under finance leases and hire purchase contracts	126,513	95,026
Director loan accounts	<u>31,596</u>	<u>51,955</u>
	<u>6,938,330</u>	<u>8,066,797</u>

The bank loans is secured by a fixed and floating charge over the company's assets with a fixed charge over the company's freehold properties.

The finance leases and hire purchase agreements are secured on the assets to which they relate.

18. CREDITORS: amounts falling due after more than one year

	2018 £	2017 £
Bank loans and overdrafts	616,831	653,834
Obligations under finance leases and hire purchase contracts	<u>292,552</u>	<u>282,947</u>
	<u>909,383</u>	<u>936,781</u>

Included within creditors: amounts falling due after more than one year is an amount of £461,424 (2017: £495,064) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The bank loan is repayable in monthly instalments ending in 2033. The bank loan carries variable interest at the bank base rate plus 1.195%.

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 April 2018

18. CREDITORS: amounts falling due after more than one year *(continued)*

The bank loans is secured by a fixed and floating charge over the company's assets with a fixed charge over the company's freehold properties.

The finance leases and hire purchase agreements are secured on the assets to which they relate.

19. FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2018	2017
	£	£
Not later than 1 year	141,781	107,685
Later than 1 year and not later than 5 years	303,255	298,282
	<u>445,036</u>	<u>405,967</u>
Less: future finance charges	(25,971)	(27,994)
Present value of minimum lease payments	<u>419,065</u>	<u>377,973</u>

20. PROVISIONS

	Deferred tax (note 21)
	£
At 1 May 2017	99,354
Additions	14,204
At 30 April 2018	<u>113,558</u>

21. DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	2018	2017
	£	£
Included in provisions (note 20)	<u>113,558</u>	<u>99,354</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2018	2017
	£	£
Accelerated capital allowances	<u>113,558</u>	<u>99,354</u>

During the year beginning 1 May 2018, the net reversal of deferred tax liabilities is expected to increase by approximately £23,000. This is due to the origination of new timing differences and the reversal of other timing differences on tangible fixed assets.

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 April 2018

22. EMPLOYEE BENEFITS

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £66,846 (2017: £54,544).

23. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows:

	2018 £	2017 £
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	<u>5,357,109</u>	<u>6,141,976</u>
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	<u>7,371,998</u>	<u>8,372,351</u>

24. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>80</u>	<u>80.00</u>	<u>80</u>	<u>80.00</u>

25. RESERVES

Called up share capital - represents the nominal value of shares that have been issued.

Capital redemption reserve - this reserve records the nominal value of shares repurchased by the company.

Profit and loss account - this reserve records retained earnings and accumulated profits/losses.

26. OPERATING LEASES

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

	2018 £	2017 £
Not later than 1 year	<u>28,800</u>	<u>—</u>

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 April 2018

27. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

Included within creditors due within one year are the following balances due to the directors:

	2018	2017
	£	£
Mr M Yaqub	<u>22,449</u>	<u>11,411</u>
Mr M Ali	<u>9,147</u>	<u>40,544</u>

During the year the company paid rent to Mr M Ali totalling £38,026 (2017 - £nil).

The loans are interest free and repayable on demand.

28. RELATED PARTY TRANSACTIONS

Included within creditors due within one year are the following balances due from/(to) related companies:

	2018	2017
	£	£
Global Imports and Exports Limited (same controlling shareholders)	(919)	(1,323)

The company made the following sales and purchases from the following companies during the year.

	2018		2017
	Sales	Purchases	Sales
	£	£	£
Global Imports and Exports Limited (same controlling shareholders)	–	79,760	–
			23,565

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £274,896 (2017: £229,310).

29. CONTROLLING PARTY

The company was controlled by director Mr M Yaqub during the financial period.