
SPECIALTY CHILLED FOODS GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

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SPECIALTY CHILLED FOODS GROUP LIMITED

COMPANY INFORMATION

Directors	R D Shippee D R Roberts
Company secretary	R D Shippee
Registered number	03198298
Registered office	5 Fleet Place London EC4M 7RD
Independent auditors	Ecovis Wingrave Yeats LLP Chartered Accountants & Statutory Auditor Waverley House 7-12 Noel Street London W1F 8GQ
Bankers	Royal Bank of Scotland 2nd Floor 1 Trinity Gardens Broad Chare Newcastle upon Tyne NE1 2HF
Solicitors	Charles Russell 5 Fleet Place London EC4M 7RD

SPECIALTY CHILLED FOODS GROUP LIMITED

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SPECIALTY CHILLED FOODS GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016

The directors present their report and the financial statements for the year ended 30 September 2016.

Principal activity

The company acts as an investment holding company for its subsidiary undertakings. The principal activity of the subsidiary undertakings is food manufacture.

Results and dividends

The (loss)/profit for the year, after taxation, amounted to (£96,000) (2015 - profit £2,826,000).

The directors have not recommended a dividend.

Directors

The directors who served during the year were:

R D Shippee
D R Roberts

Financial instruments

The company's principal financial instruments comprise bank balances, intercompany balances, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for and to finance the company's operations.

Employee involvement

Our employees continue to be essential to our future success and we continue to invest in training, education and development of our people throughout the organisation. We again thank each team member for their continued enthusiasm and dedicated effort for the business this year.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide training, career development and promotion to wherever appropriate.

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'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's auditors are aware of that information.

SPECIALTY CHILLED FOODS GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

Auditors

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

This report was approved by the board on *28th June 2017* and signed on its behalf.


R D Shippee
Director

SPECIALTY CHILLED FOODS GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016

Introduction

The directors present their Strategic Report for the Company for the year ended 30 September 2016.

Business review

The Company's financial position at the end of the year is shown in the attached financial statements. The directors note the loss for the year and will continue to seek new opportunities. The Company is part of the Entrepreneurial Food Group LLC and the Company is expected to benefit from the future opportunities being explored by the group in the next 12 months.

Principal risks and uncertainties

The Company's principal financial instruments comprise of bank balances and intercompany balances. The main purpose of these instruments is to raise funds for and to finance the group and Company's operations.

In respect of bank balances, the liquidity risk is managed through intercompany funding. Prudent liquidity risk management requires that the group maintains sufficient costs to be able to pay creditors as and when they fall due. Trade debtors are managed in respect of credit and cash flow risk by reviewing the credit terms extended to customers and monitoring amounts outstanding for the time and credit limits.

Liquidity risk is managed by maintaining the required balance through intercompany funding.

Financial key performance indicators

	2016 £000	2015 £000
Turnover	989	667
Operating profit/(loss)	(537)	2,912
Profit/(loss) before tax	(96)	2,826

We also place emphasis on non-financial performance indicators such as quality standards, service levels and sourcing of raw materials. There is no question however that maintenance of margins will continue to be challenging with significant cost increases likely in the coming year.

This report was approved by the board on


R D Shippee
Director

28th June 2017 and signed on its behalf.

SPECIALTY CHILLED FOODS GROUP LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

The directors are responsible for preparing the Strategic Report, the 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 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 of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

SPECIALTY CHILLED FOODS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SPECIALTY CHILLED FOODS GROUP LIMITED

We have audited the financial statements of Specialty Chilled Foods Group Limited for the year ended 30 September 2016, set out on pages 7 to 29. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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'.

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.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2016 and of its profit or 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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 those financial statements.

SPECIALTY CHILLED FOODS GROUP LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SPECIALTY CHILLED FOODS
GROUP LIMITED (CONTINUED)**

Matters on which we are required to report by exception

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

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

Ecovis Wingrave Yeats LLP

Stuart Hinds (Senior Statutory Auditor)

for and on behalf of

Ecovis Wingrave Yeats LLP

Chartered Accountants & Statutory Auditor

Waverley House

7-12 Noel Street

London

W1F 8GQ

Date: 30/6/17

SPECIALTY CHILLED FOODS GROUP LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

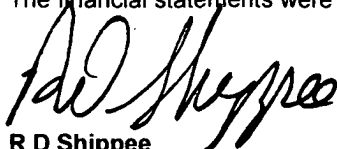
	Note	2016 £000	2015 £000
Turnover	4	989	667
Gross profit		<u>989</u>	<u>667</u>
Administrative expenses		(2,158)	307
Other operating income	5	632	1,938
Operating (loss)/profit	6	<u>(537)</u>	<u>2,912</u>
Interest receivable and similar income	10	589	66
Interest payable and expenses	11	(148)	(152)
(Loss)/profit before tax		<u>(96)</u>	<u>2,826</u>
(Loss)/profit for the year		<u>(96)</u>	<u>2,826</u>
Other comprehensive income for the year			
Total comprehensive income for the year		<u>(96)</u>	<u>2,826</u>

SPECIALTY CHILLED FOODS GROUP LIMITED
REGISTERED NUMBER: 03198298

BALANCE SHEET
AS AT 30 SEPTEMBER 2016

	Note	2016 £000	As restated 2015 £000
Fixed assets			
Tangible assets	13	5	8
Investment property	15	2,600	2,600
		<u>2,605</u>	<u>2,608</u>
Current assets			
Debtors	16	20,294	19,808
Cash at bank and in hand	17	6,714	5,441
		<u>27,008</u>	<u>25,249</u>
Creditors: amounts falling due within one year	18	(8,639)	(6,787)
Net current assets		<u>18,369</u>	<u>18,462</u>
Total assets less current liabilities		<u>20,974</u>	<u>21,070</u>
Creditors: amounts falling due after more than one year	19	(1,505)	(1,505)
Provisions for liabilities			
Deferred tax		(282)	(282)
		<u>(282)</u>	<u>(282)</u>
Net assets		<u><u>19,187</u></u>	<u><u>19,283</u></u>
Capital and reserves			
Called up share capital	22	15,570	15,570
Share premium account	23	1,114	1,114
Other reserves	23	1,956	1,956
Profit and loss account	23	547	643
		<u>19,187</u>	<u>19,283</u>

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



R D Shippee
Director

28th June 2017

The notes on pages 10 to 29 form part of these financial statements.

SPECIALTY CHILLED FOODS GROUP LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Restated Called up share capital £000	Share premium account £000	Other reserves £000	Profit and loss account £000	Restated Total equity £000
At 1 October 2015	15,570	1,114	1,956	643	19,283
Comprehensive income for the year					
Loss for the year	-	-	-	(96)	(96)
Total comprehensive income for the year	-	-	-	(96)	(96)
At 30 September 2016	15,570	1,114	1,956	547	19,187

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	Restated Called up share capital £000	Share premium account £000	Other reserves £000	Profit and loss account £000	Restated Total equity £000
At 1 October 2014	5,197	1,114	1,956	(2,183)	6,084
Comprehensive income for the year					
Profit for the year	-	-	-	2,826	2,826
Total comprehensive income for the year	-	-	-	2,826	2,826
Shares issued during the year	10,373	-	-	-	10,373
At 30 September 2015	15,570	1,114	1,956	643	19,283

The notes on pages 10 to 29 form part of these financial statements.

SPECIALTY CHILLED FOODS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

1. General information

Specialty Chilled Foods Group Limited is a private company, limited by shares, domiciled in England and Wales, registration number 03198298. The registered office is 5 Fleet Place, London, EC4M 7RD.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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.

Information on the impact of first-time adoption of FRS 102 is given in note 29.

The date of transition of the Company to FRS 102 was 1 October 2014. The last financial statements prepared under old UK GAAP were for the year ended 30 September 2015.

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Specialty Foods Group Limited as at 30 September 2016 and these financial statements may be obtained from 5 Fleet Place, London, EC4M 7RD.

2.3 Going concern

The Company meets its day to day working capital requirements through overdraft facilities which are repayable on demand and through amounts owing to the parent undertaking. The group expects to operate within the bank facilities currently agreed and within those expected to be agreed upon renewal. These views are based on the group's plans, the successful outcome of discussions with the group's bankers and on the continued financial support of the group's parent undertaking. Entrepreneurial Food Group LLC, the group's parent undertaking, has indicated that it will continue to provide such financial support as may be necessary.

SPECIALTY CHILLED FOODS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

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 Company 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:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

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:

Fixtures & fittings	- 4 years
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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 Statement of Comprehensive Income.

2.6 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

SPECIALTY CHILLED FOODS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

2. Accounting policies (continued)

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.8 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.

2.9 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.

SPECIALTY CHILLED FOODS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

2. Accounting policies (continued)

2.10 Financial instruments

The Company only enters into basic financial instruments 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 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 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, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

2.11 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.

SPECIALTY CHILLED FOODS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.13 Finance costs

Finance costs are charged to the 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.

2.14 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 October 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

SPECIALTY CHILLED FOODS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

2. Accounting policies (continued)

2.15 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the 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 Company in independently administered funds.

2.16 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.17 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the 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 operates and generates income.

SPECIALTY CHILLED FOODS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual values consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Impairment of tangible fixed assets

Management continually use judgement to ascertain whether there are indicators of impairment of the Company's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Investment property valuation

Management continually use judgement to ascertain whether items of investment property require impairment. Management carry out an external valuation of the investment properties annually and use the judgement of external valuers. Up to date market rates are used to value the investment property.

Impairment of investments

Management continually use judgement to ascertain whether there are indications of impairment of the company's investments. As there is no market value available for the company's investments the financial statements of its subsidiary's are used to ascertain whether an impairment of the investment has occurred.

Impairment of intercompany debtors

Management continually use judgement to ascertain whether intercompany debtor balances are recoverable. In assessing the factors which determine whether the companies will be able to repay, management continually assess the performance of the subsidiaries and makes judgements based on the future expected performance of the companies.

Market rates of interest on intercompany loans

Management have applied a market rate of interest based upon rates available on similar types of loans in the open market.

4. Turnover

The whole of the turnover is attributable to the one principal activity of the Company.

All turnover arose within the United Kingdom.

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

5. Other operating income

	2016	2015
	£000	£000
Recharged expenses	632	164
Waiver of intercompany loan	-	1,774
	<u>632</u>	<u>1,938</u>

6. Operating (loss)/profit

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

	2016	2015
	£000	£000
Depreciation of tangible fixed assets	4	3
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	4	4
Exchange differences	783	(1,002)
Other operating lease rentals	47	43
Defined contribution pension cost	6	6
	<u> </u>	<u> </u>

7. Auditors' remuneration

	2016	2015
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	4	4
	<u> </u>	<u> </u>
Fees payable to the Company's auditor and its associates in respect of:		
All other services	5	5
	<u> </u>	<u> </u>

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

8. Employees

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

	2016 £000	2015 £000
Wages and salaries	491	219
Social security costs	19	17
Cost of defined contribution scheme	6	6
	<u>516</u>	<u>242</u>

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

	2016 No.	2015 No.
Administrative staff	<u>4</u>	<u>3</u>

9. Directors' remuneration

	2016 £000	2015 £000
Directors' emoluments	333	-
	<u>333</u>	<u>-</u>

The highest paid director received remuneration of £333 thousand (2015 - £NIL).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2015 - £NIL).

The total accrued pension provision of the highest paid director at 30 September 2016 amounted to £NIL (2015 - £NIL).

10. Interest receivable

	2016 £000	2015 £000
Other interest receivable	589	66
	<u>589</u>	<u>66</u>

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

11. Interest payable and similar charges

	2016 £000	2015 £000
Other loan interest payable	148	152
	<u>148</u>	<u>152</u>

12. Taxation

	2016 £000	2015 £000
Total current tax	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - *lower than*) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £000	2015 £000
(Loss)/profit on ordinary activities before tax	<u>(96)</u>	<u>2,826</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	(19)	565
Effects of:		
Fixed asset differences	1	-
Non-taxable income	-	(352)
Adjust closing deferred tax to average rate of 20%	9	-
Deferred tax not recognised	9	(213)
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

13. Tangible fixed assets

	Fixtures & fittings £000
Cost or valuation	
At 1 October 2015	32
Additions	1
	<hr/>
At 30 September 2016	33
	<hr/>
Depreciation	
At 1 October 2015	24
Charge for the period on owned assets	4
	<hr/>
At 30 September 2016	28
	<hr/>
Net book value	
At 30 September 2016	5
	<hr/> <hr/>
At 30 September 2015	8
	<hr/> <hr/>

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

14. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 October 2015	5,554
At 30 September 2016	<u>5,554</u>
Impairment	
At 1 October 2015	5,554
At 30 September 2016	<u>5,554</u>
At 30 September 2016	<u>-</u>
At 30 September 2015	<u>-</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
SK Chilled Foods Limited	England and Wales	Ordinary	100 %	Manufacture of chilled and frozen ready meal snacks

The aggregate of the share capital and reserves as at 30 September 2016 and of the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

	Aggregate of share capital and reserves £000	Profit/(loss) £000
SK Chilled Foods Limited	(4,501)	1,174
	<u>(4,501)</u>	<u>1,174</u>

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

15. Investment property

	Investment property £000
Valuation	
At 1 October 2015	2,600
At 30 September 2016	<u>2,600</u>

The 2016 valuations were made by Knight Frank LLP, on an open market value for existing use basis in April 2017. The directors consider this to be materially accurate at 1 October 2014, 30 September 2015 and 30 September 2016.

At 30 September 2016

If the investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2016 £000	2015 £000
Historic cost	649,938	649,938
Accumulated depreciation and impairments	(340,062)	(314,062)
	<u>309,876</u>	<u>335,876</u>

16. Debtors

	2016 £000	2015 £000
Due after more than one year		
Amounts owed by group undertakings	13,239	12,965
	<u>13,239</u>	<u>12,965</u>
Due within one year		
Amounts owed by group undertakings	6,566	6,359
Other debtors	4	15
Prepayments and accrued income	485	469
	<u>20,294</u>	<u>19,808</u>

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

17. Cash and cash equivalents

	2016	<i>2015</i>
	£000	<i>£000</i>
Cash at bank and in hand	6,714	5,441
	<u>6,714</u>	<u>5,441</u>

18. Creditors: Amounts falling due within one year

	2016	<i>As restated 2015</i>
	£000	<i>£000</i>
Trade creditors	490	723
Amounts owed to group undertakings	7,417	5,427
Taxation and social security	131	71
Other creditors	3	-
Accruals and deferred income	598	566
	<u>8,639</u>	<u>6,787</u>

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

	2016	<i>As restated 2015</i>
	£000	<i>£000</i>
Other loans	1,505	1,505
	<u>1,505</u>	<u>1,505</u>

20. Loans

Analysis of the maturity of loans is given below:

	2016	<i>2015</i>
	£000	<i>£000</i>
Amounts falling due 2-5 years		
Other loans	<u>1,505</u>	<u>1,505</u>

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

21. Deferred taxation

	2016 £000
At beginning of year	(282)
At end of year	<u>(282)</u>

The provision for deferred taxation is made up as follows:

	2016 £000
Accelerated capital allowances	(282)
	<u>(282)</u>

22. Share capital

	2016 £000	<i>As restated 2015 £000</i>
Shares classified as equity		
Allotted, called up and fully paid		
15,570,215 Ordinary shares of £1 each	<u>15,570</u>	<u>15,570</u>

23. Reserves

The company's other reserves are as follows:

Fair value reserves represent the increase in fair value of investment property.

The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

24. Prior year adjustment

During the current year it was identified that certain loan amounts owed to the ultimate parent company should in fact be recognised as share capital as these amounts have been recognised in the accounts of the ultimate parent as invested capital since prior to 1 October 2014.

The amount that has now been recognised as share capital rather than liabilities is £10,373,292 and this has been adjusted in the opening position in prior year as well as the closing position of the prior year.

25. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from the Company in an independently administered fund. The pension costs represent contributions paid by the Company to the fund and amounted to £6,000 (2015 - £6,000). There were outstanding contributions at the year end of £48,000 (2015 - £39,000).

26. Commitments under operating leases

The Company had no commitments under the non-cancellable operating leases as at the balance sheet date.

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

27. Related party transactions

The Company was under the control of Entrepreneurial Food Group LLC, its ultimate parent undertaking, throughout the current and previous years. The ultimate controlling party is D R Roberts, a director of Specialty Chilled Foods Group Limited and controlling shareholder in Entrepreneurial Food Group LLC. The companies below are related parties by virtue of common control.

Current assets:

	2016 £000	2016 £000	2015 £000	2015 £000
	Year end balance	Management charges	Year end balance	Management charges
Amount due from Zorba Delicacies Limited	430	672	473	474
Amount due from SK Chilled Foods Limited	-	697	-	614
Amount due from ZD Holdings Limited	225	-	-	-
Specialty Foods Group Limited	5,911	-	5,886	-
	<u>6,566</u>	<u>1,369</u>	<u>6,359</u>	<u>1,088</u>

	2016 £000	2016 £000	2015 £000	2015 £000
	Year end balance	Interest charges	Year end balance	Interest charges
Amount due from SK Chilled Foods Limited	13,239	580	12,965	55
	-	-	-	-
	<u>13,239</u>	<u>580</u>	<u>12,965</u>	<u>55</u>

The SK Chilled Foods Limited loan balance consists of the following items:

Interest bearing unsecured loan - £11,022,745 (2015 - £10,795,217), at interest rate of 5% (2015 - NIL%) has been charged during the current year. The loan is repayable in full including accrued interest on the third anniversary of the receipt of the loan.

Interest bearing unsecured loan - £1,882,864 (2015 - £1,836,463), an interest rate of 2% (2015 - same) above base rate has been charged.

Secured loan stock - £333,000 (2015 - £333,000), an interest rate of 2% (2015 - same) above base rate has been charged.

SPECIALTY CHILLED FOODS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

27. Related party transactions (cont.)

Current liabilities:

	2016 £000 Year end balance	2015 £000 Year end balance
Amount due to Zorba Delicacies Limited	7,417	5,427
	<u>7,417</u>	<u>5,427</u>

During the year the Company was loaned £6,000,000 (2015 - £4,000,000) from Zorba Delicacies Limited and repayments of £4,000,000 (2015 - £3,750,000) were made. The loan is repayable on demand with no fixed instalment date. Interest on the loan is accruing at 3% per annum; during the year interest of £50,000 (2015 - £37,000) was accrued. During the year, an amount of £NIL (2015 - £1,774,000) was written off in respect of the total balance due to Zorba Delicacies Limited.

As at 30 September 2016 the total balance outstanding was £7,417,000 (2015 - £5,427,000).

At the year end £1,506,000 (2015 - £1,505,000) was owed to a private trust fund, set up by D R Roberts, who is director of Specialty Chilled Foods Group Limited. This is disclosed in "other loans" within creditors falling due after more than one year.

28. Controlling party

The company is wholly owned subsidiary of Specialty Foods Group Limited, a company registered in England and Wales.

The company was under the control of Entrepreneurial Food Group LLC, its ultimate parent undertaking, throughout the current and previous year. The ultimate controlling party is D R Roberts, a director of Specialty Chilled Foods Group Limited and controlling member in Entrepreneurial Food Group LLC.

The smallest group in which the results of the Company are consolidated is that headed by Specialty Food Groups Limited, registered in England and Wales. The consolidated financial statements of this group are available to the public and may be obtained from Companies House, Cardiff.

The largest group in which the results of the Company will be consolidated is that headed by Entrepreneurial Food Group LLC, registered in Delaware, United States of America. The consolidated financial statements of this group are not publicly available.

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

29. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 October 2014. The impact of the transition to FRS 102 is as follows:

	As previously stated 1 October 2014 £000	Effect of transition 1 October 2014 £000	FRS 102 (as restated) 1 October 2014 £000	As previously stated 30 September 2015 £000	Effect of transition 30 September 2015 £000	FRS 102 (as restated) 30 September 2015 £000
Note						
Fixed assets	365	2,238	2,603	344	2,264	2,608
Current assets	26,433	-	26,433	25,957	(709)	25,248
Creditors: amounts falling due within one year	(857)	(6,524)	(7,381)	(1,384)	(5,401)	(6,785)
Net current assets	25,576	(6,524)	19,052	24,573	(6,110)	18,463
Total assets less current liabilities	25,941	(4,286)	21,655	24,917	(3,846)	21,071
Creditors: amounts falling due after more than one year	(21,813)	6,524	(15,289)	(17,989)	6,110	(11,879)
Provisions for liabilities	-	(282)	(282)	-	(282)	(282)
Net assets	4,128	1,956	6,084	6,928	1,982	8,910
Capital and reserves	4,128	1,956	6,084	6,928	1,982	8,910

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

29. First time adoption of FRS 102 (continued)

	<i>As previously stated 30 September 2015 £000</i>	<i>Effect of transition 30 September 2015 £000</i>	FRS 102 (as restated) 30 September 2015 £000
Note			
Turnover	667	-	667
	667	-	667
Administrative expenses	281	26	307
Other operating income	1,938	-	1,938
Operating profit	2,886	26	2,912
Interest receivable and similar income	66	-	66
Interest payable and similar charges	(152)	-	(152)
Profit on ordinary activities after taxation and for the financial year	2,800	26	2,826

Explanation of changes to previously reported profit and equity:

1 Under previous UK GAAP, the company classified its freehold property as tangible fixed assets, stated at cost less depreciation. Under FRS102 the Company is required to classify its freehold property as investment property. At the transition date this results in equity increasing by £2,238,000 due to the reversal of accumulated depreciation on the freehold property and the increase in the deemed fair value of the freehold property. There is a further impact of £26,000 for the year ending 30 September 2015 with depreciation on the then tangible fixed assets being reversed.

Deferred taxation has been calculated on the revaluation to fair value and the result of this is a reduction of £282,107 to reserves at the transition date and a deferred tax liability of the same amount recognised at transition date as well as prior year end.