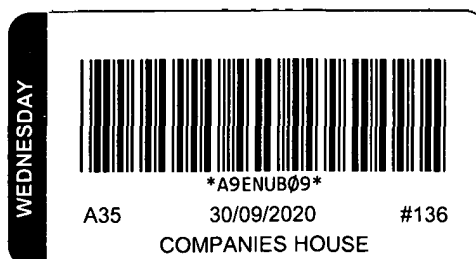


Registered number: 03198298

SPECIALTY CHILLED FOODS GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019



SPECIALTY CHILLED FOODS GROUP LIMITED

COMPANY INFORMATION

Directors	R D Shippee D R Roberts D Bristow
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 Speechlys LLP 5 Fleet Place London EC4M 7RD

SPECIALTY CHILLED FOODS GROUP LIMITED

CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 3
Directors' Responsibilities Statement	4
Independent Auditors' Report	5 - 7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 26

SPECIALTY CHILLED FOODS GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

Introduction

The directors present their Strategic Report for the Company for the year ended 30 September 2019.

Business review

The Company's financial position at the end of the year is shown in the attached financial statements. 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 cash 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

The key financial performance indicators for the year are as follows: sales of £668,000 (2018 - £564,000), operating loss of £50,000 (2018 - £131,000) and loss before tax of £50,000 (2018 - £171,000).

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 continues to be challenging with significant cost increases being experienced towards the end of the year.

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. The coming year will see further people development initiatives being implemented across all functions and job roles.

We again thank each team member for their, expertise, continued enthusiasm and dedicated effort for the business this year.

This report was approved by the board on 25 September 2020 and signed on its behalf.

DocuSigned by:

Richard Shippee

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R D Shippee
Director

SPECIALTY CHILLED FOODS GROUP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

The directors present their report and the financial statements for the year ended 30 September 2019.

Principal activity

The Company acts as an investment holding company for its subsidiary undertakings and provides management services to those undertakings. The principal activity of the subsidiary undertakings is food manufacture.

Results and dividends

The loss for the year, after taxation, amounted to £50 thousand (2018 - loss £171 thousand).

The directors have not recommended a dividend.

Directors

The directors who served during the year were:

R D Shippee
D R Roberts
D Bristow

Financial instruments

The Company's principal financial instruments comprise bank balances, intercompany balances, trade creditors and trade debtors. The main purpose of these financial 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 practical 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 2019**

COVID-19

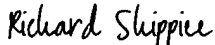
There have been significant global developments related to the Coronavirus (COVID-19) pandemic during 2020. Whilst it is unlikely based on the services the Company provide, the Company may experience volatility that could impact the financial results and/or impede generic operations. The Company and the directors continue to monitor this unprecedented situation and evaluate the impact of the pandemic. At the point of signing the financial statements there has been a minimal impact from COVID-19 on the financial results or operations.

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 25 September 2020 and signed on its behalf.

DocuSigned by:


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R D Shippee
Director

SPECIALTY CHILLED FOODS GROUP LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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 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 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 MEMBERS OF SPECIALTY CHILLED FOODS GROUP LIMITED

Opinion

We have audited the financial statements of Specialty Chilled Foods Group Limited (the 'Company') for the year ended 30 September 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the 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 Company's affairs as at 30 September 2019 and of its 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 Company 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 Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our 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.

SPECIALTY CHILLED FOODS GROUP LIMITED

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

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 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 on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

SPECIALTY CHILLED FOODS GROUP LIMITED

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

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 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 for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Ecovis Wingrave Yeats LLP

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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: 29 September 2020

SPECIALTY CHILLED FOODS GROUP LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Note	2019 £000	2018 £000
Turnover	4	668	564
Gross profit		<u>668</u>	<u>564</u>
Administrative expenses		(1,502)	(1,488)
Other operating income	5	784	793
Operating loss	6	<u>(50)</u>	<u>(131)</u>
Interest receivable and similar income	10	-	2
Interest payable and expenses	11	-	(42)
Loss before tax		<u>(50)</u>	<u>(171)</u>
Tax on loss	12	-	-
Loss for the financial year		<u><u>(50)</u></u>	<u><u>(171)</u></u>

There was no other comprehensive income for 2019 (2018 - £Nil).


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

SPECIALTY CHILLED FOODS GROUP LIMITED
REGISTERED NUMBER: 03198298

BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	13	3	3
Fixed asset Investments	14	13,500	13,500
Investment property	15	2,600	2,600
		<u>16,103</u>	<u>16,103</u>
Current assets			
Debtors	16	7,396	7,160
Cash at bank and in hand	17	100	91
		<u>7,496</u>	<u>7,251</u>
Creditors: amounts falling due within one year	18	(3,865)	(3,570)
Net current assets		<u>3,631</u>	<u>3,681</u>
Total assets less current liabilities		<u>19,734</u>	<u>19,784</u>
Provisions for liabilities			
Deferred tax	19	(282)	(282)
		<u>(282)</u>	<u>(282)</u>
Net assets		<u><u>19,452</u></u>	<u><u>19,502</u></u>
Capital and reserves			
Called up share capital		15,570	15,570
Share premium account		1,114	1,114
Other reserves		1,956	1,956
Profit and loss account		812	862
		<u>19,452</u>	<u>19,502</u>

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

DocuSigned by:

 3DD61E58EE11430...
R D Shippee
 Director

25 September
 2020

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

SPECIALTY CHILLED FOODS GROUP LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Called up share capital £000	Share premium account £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 October 2017	15,570	1,114	1,956	1,033	19,673
Comprehensive income for the year					
Loss for the year	-	-	-	(171)	(171)
Total comprehensive income for the year	-	-	-	(171)	(171)
At 1 October 2018	15,570	1,114	1,956	862	19,502
Comprehensive income for the year					
Loss for the year	-	-	-	(50)	(50)
Total comprehensive income for the year	-	-	-	(50)	(50)
At 30 September 2019	15,570	1,114	1,956	812	19,452

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

SPECIALTY CHILLED FOODS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. General information

Specialty Chilled Foods Group Limited is a private company, limited by shares, incorporated 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 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 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 2019 and these financial statements may be obtained from Companies House.

2.3 Going concern

The Company has made a loss for the year of £50,000 (2018 - £171,000) and has net assets of £19,452,000 (2018 - £19,502,000). The Company is reliant on the performance of other group companies to meet its day to day working capital requirements. The group fully expect to be able to operate for the next twelve months.

As noted in the directors report, management acknowledges that there remains uncertainty of the impact of COVID-19 on the Company's 2020 and future operations, however, to date, the impact has been minimal and the financial statements do not include nor require any adjustments that may result from the outcome of this uncertainty.

Management are therefore comfortable that preparing the accounts on the going concern basis is appropriate.

SPECIALTY CHILLED FOODS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.4 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.5 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 Company generates revenue from rental income and management charges to other group companies. Revenue is recognised in the month to which the services relate.

2.6 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
---------------------	-----------

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.

2.7 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.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

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 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.

2.11 Financial instruments

The Company 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 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 Company 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.

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.12 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.

2.13 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'.

2.14 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 2017 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 2019**

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 profit or loss using the effective interest method.

2.17 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.

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.18 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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

Investment property valuation

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

Impairment of investment

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 investment the financial statements of the subsidiary are used to ascertain whether an impairment of the investment has occurred.

Impairment of intercompany debtors

Management continually uses 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 related parties 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.

5. Other operating income

	2019	2018
	£000	£000
Recharged expenses	784	793

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

6. Operating loss

The operating loss is stated after charging:

	2019	2018
	£000	£000
Depreciation of tangible fixed assets	1	2
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	4	4
Exchange differences	-	28
Other operating lease rentals	46	46
Defined contribution pension cost	7	6
	<u>7</u>	<u>6</u>

7. Auditors' remuneration

	2019	2018
	£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>4</u>	<u>4</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

8. Employees

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

	2019	2018
	£000	£000
Wages and salaries	481	467
Social security costs	18	16
Cost of defined contribution scheme	7	6
	<u>506</u>	<u>489</u>

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

	2019	2018
	No.	No.
Administrative staff	3	3
	<u>3</u>	<u>3</u>

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

9. Directors' remuneration

	2019	2018
	£000	£000
Directors' emoluments	333	333

The highest paid director received remuneration of £333,000 (2018 - £333,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2018 - £NIL).

The total accrued pension provision of the highest paid director at 30 September 2019 amounted to £NIL (2018 - £NIL).

Key management personnel is considered to be limited to the directors.

10. Interest receivable

	2019	2018
	£000	£000
Other interest receivable	-	2

11. Interest payable and similar expenses

	2019	2018
	£000	£000
Other loan interest payable	-	42

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

12. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Loss on ordinary activities before tax	(50)	(171)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(10)	(32)
Effects of:		
Adjust opening deferred tax to average rate of 19% (2018 - 19.50%)	(2)	(2)
Adjust closing deferred tax to average rate of 19% (2018 - 19.50%)	2	5
Deferred tax not recognised	10	29
Total tax charge for the year	-	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

The Company has £Nil (2018 - £164,972) of losses available to offset against future trading profits.

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

13. Tangible fixed assets

	Fixtures & fittings £000
Cost or valuation	
At 1 October 2018	37
Additions	1
	<hr/>
At 30 September 2019	38
	<hr/>
Depreciation	
At 1 October 2018	34
Charge for the year on owned assets	1
	<hr/>
At 30 September 2019	35
	<hr/>
Net book value	
At 30 September 2019	3
	<hr/> <hr/>
At 30 September 2018	3
	<hr/> <hr/>

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

14. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 October 2018	19,054
At 30 September 2019	<u>19,054</u>
Impairment	
At 1 October 2018	5,554
At 30 September 2019	<u>5,554</u>
Net book value	
At 30 September 2019	<u><u>13,500</u></u>
At 30 September 2018	<u><u>13,500</u></u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
S.K. Chilled Foods Limited	5 Fleet Place, London, EC4M 7RD	Manufacture of chilled and frozen ready meal snacks	Ordinary	99.64%

S.K. Chilled Foods Limited represents a direct investment.

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

15. Investment property

	Freehold investment property £000
Valuation	
At 1 October 2018	2,600
At 30 September 2019	2,600

The last valuations were performed by Knight Frank LLP in 2018 on an open market value for existing use basis. The value is not considered to have changed materially since that date and therefore a formal valuation was not deemed to be required during 2019.

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

	2019 £000	2018 £000
Historic cost	650	650
Accumulated depreciation and impairments	(448)	(412)
	202	238

16. Debtors

	2019 £000	2018 £000
Trade debtors	-	28
Amounts owed by group undertakings	6,795	6,541
Other debtors	4	4
Prepayments and accrued income	597	587
	7,396	7,160

17. Cash and cash equivalents

	2019 £000	2018 £000
Cash at bank and in hand	100	91

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

18. Creditors: Amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	629	589
Amounts owed to group undertakings	2,500	2,282
Other taxation and social security	72	51
Other creditors	61	57
Accruals and deferred income	603	591
	3,865	3,570

All amounts are unsecured, interest free and repayable on demand.

19. Deferred taxation

	2019	2018
	£000	£000
At beginning of year	(282)	(282)
At end of year	(282)	(282)

The provision for deferred taxation is made up as follows:

	2019	2018
	£000	£000
Accelerated capital allowances	(282)	(282)

20. 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 £7,000 (2018 - £6,000). There were outstanding contributions at the year end of £59,000 (2018 - £53,000).

SPECIALTY CHILLED FOODS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

21. Contingencies

The company is party to a cross group guarantee with the group's bankers under which there is an aggregate group potential liability of £1,965,000 (2018 - £1,683,000) at the balance sheet date. Of that potential liability, S.K. Chilled Foods Limited is currently the only member of the group with liabilities that are covered by this cross group guarantee.

An inter-company guarantee exists between the Company, S.K. Chilled Foods Limited, Specialty Foods Group Limited, Zorba Delicacies Limited and ZD Holdings Limited.

National Westminster Bank PLC holds fixed and floating charges over the undertaking and all property and assets present and future including goodwill, book debts, uncalled capital, buildings, fixtures and fixed plant and machinery.

National Westminster Bank PLC holds a fixed charge over the Company's investment property in Riverside Park, Middlesbrough.

22. Related party transactions

The Company has taken the exemption under FRS 102 section 33 Related Party Disclosures paragraph 33.1A, whereby the company is not required to disclose transactions with other wholly owned subsidiaries.

During the year the company received rental income of £70,000 (2018 - £70,000) from a related party by virtue of common control.

During the year the Company received management fee income of £297,000 (2018 - £247,000) from a related party by virtue of common control.

During the year the Company recharged insurance costs of £471,000 (2018 - £517,000) to a related party by virtue of common control.

At the year end, the Company was owed £345,000 (2018 - £337,000) in trading balances from a related party by virtue of common control.

23. Share capital

	2019 £000	2018 £000
Allotted, called up and fully paid		
15,570,215 (2018 - 15,570,215) Ordinary shares of £1.00 each	15,570	15,570

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

SPECIALTY CHILLED FOODS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

24. Controlling party

The company is a 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 Foods Group 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.

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.