

Company Registration No. 03800145 (England and Wales)

INTERFOOD TECHNOLOGY LTD.
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



INTERFOOD TECHNOLOGY LTD.

COMPANY INFORMATION

Directors	M Bishop J I Sydenham J Meyrahn R Unwin (Appointed 2 January 2018)
Secretary	J Costello
Company number	03800145
Registered office	30 Upper High Street Thame Oxfordshire OX9 3EZ
Auditor	Richardsons 30 Upper High Street Thame Oxfordshire OX9 3EZ

INTERFOOD TECHNOLOGY LTD.

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INTERFOOD TECHNOLOGY LTD.

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present the strategic report for the year ended 31 December 2018.

Fair review of the business

Interfood Technology Limited ("the Group") is a leading distributor of industrial food manufacturing and processing equipment, together with the supply of related services, operating from locations in the UK and the Republic of Ireland.

The Group serves customers across a broad range of the food industry through one of its 7 divisions. During the year to 31 December 2018, 52% of revenues came from the Group's Slicing division, a further 6% attributable to the Packing division and the remaining 42% generated from the Preparation, Curing to Clipping, Cooking & Cooking, Butchery & Fresh Meat divisions.

The Group benefits from a high degree of loyalty and repeat business from a large number of established businesses in the food manufacturing sector. 63% of the Group's revenue comes from the supply of food manufacturing equipment itself, with the remaining 37% of revenues generated from after sales servicing and the sale of spare parts across all the divisions.

The success of the Group's current business model rests on our ability to not only to supply a wide range of equipment but also to provide high quality technical back-up and after sales service and support. During the year we have focussed on streamlining our business and working toward a common approach across the divisions.

During the year the Group enjoyed the benefits delivered by its relocation, in late 2017, to a new 30,000 square foot distribution centre, showroom and Head Office facility in Buckinghamshire.

Macroeconomic and industry trends

In its Spring 2018 report McKinsey estimated the worldwide food processing and handling market to be worth approximately \$100bn, of which food processing was the largest contributor at \$45bn. The European market is anticipated to show CAGR of 4% in food processing machinery and 5% in food packaging machinery between 2016 and 2021.

This growth is being fuelled by urbanisation and rising living standards which fuels a demand for processed and packaged food and leads to higher equipment sales. Ongoing competition in the food processing marketplace, driven by supermarkets and retail pressures further downstream, results in demand for machines that improve automation, increase operational efficiency, cut costs, and increase uptimes. At the same time an increasing focus on healthy eating is driving product development and the need for higher standards and traceability.

Market Outlook

The main market we operate in is the UK and Ireland and as such there currently are concerns across the industry associated with the UK leaving the EU. Our order book going into the start of 2019 is encouraging and at this stage we are not concerned that Brexit will put a halt to our customers' ongoing capital expenditure plans. We invoice the majority of our machines in Euros which provides a natural currency hedge against the majority of our purchases which are also in Euros. In addition, over 37% of our total revenues are derived from the supply of spare parts and services and this revenue stream is not dependent on achieving new sales but on servicing an existing installed base of machines.

Group Results & KPIs

Turnover increased by 2% to £30m (2017: £29.5 m) whilst gross profit was £10m (2017: £10.9m). Profit before tax at £2.4m (2017: £3.5m) outperformed the plan set for the year.

The turnover growth was all the more impressive when considering that one of the Group's long standing supplier agency agreements, accounting for greater than 10% of revenues in the prior year, ended in December 2017, as a result of acquisition of the business. This was also a major contributor to the decrease in the Group's gross profit year on year.

Stock levels are consistent with prior year. A focus on improving stock turn and minimising older and slow moving lines is commenced in the second half of the year, although was compensated by an increase in stock levels ahead of Brexit as well the requirement to satisfy the increasing market demands for shorter lead times.

INTERFOOD TECHNOLOGY LTD.

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

The Group monitors performance against key financial objectives that the Directors judge to be effective in measuring the delivery of strategic aims and managing and controlling the business. These focus at Group level on turnover, gross profit as well as underlying profit and forward order book.

Within the business, KPI's also include working capital control such as aged inventory and aged accounts receivable, and customer-related performance measures such as on-time delivery, distribution centre picking errors and returns. These key performance indicators are measured and reviewed against targets on a regular basis.

Key business risks

The Board of Directors has identified the main categories of business risk in relation to the implementation of the Group's strategic aims and objectives, and has considered reasonable steps to prevent, mitigate or manage these risks.

The principal areas noted during this review are summarised as follows:

Macro-economic & political – the Group's businesses are dependent upon the capital investment intentions of our customers. Economic or financial market conditions determine global demand and could adversely affect our customers, agency suppliers, and other parties with whom we transact. The Directors seek to ensure that our overall risk is mitigated by avoiding excessive concentration of exposure to any food manufacturing industry sub segment. Market conditions and industry forecasts are monitored for any early warning signs of changes in overall market demand, and measures to exploit opportunities or manage elevated risks will be taken as appropriate.

Brexit is an example of a political factors causing much uncertainty in the marketplace. At this stage it is difficult to comprehensively plan for all outcomes when the consequences of that outcome are also unknown. There is risk that importing will become more costly due to tariffs and additional administration costs and a risk that there could be short term supply issues. The Group has taken steps to increase levels of critical spare parts and has encouraged its customers to consider doing the same.

At the same time as it provides uncertainty Brexit has also provided real opportunities in the market. The labour market is already stretched and with potential further reductions in labour sources from outside the UK (EU or otherwise), our customers are looking for more ways to automate their food manufacturing processes.

Market risks - The Group is aware of market risk in relation to the dependence upon key customers and the resulting exposure to the risk of a downturn in any of their larger customers' activities, possibly as a result of the loss by that customer of a particular supply contract. This risk is often mitigated that by the fact that the loss by one customer of a contract is a gain for another customer, who may consequently make a significant capital investment in order to improve capacity or increase productivity. Customer capital investment plans are monitored wherever possible to help mitigate that risk. The Directors consider that the current level of market risk is normal.

Supply chain consolidation – the continuity of the Group's business activities is dependent upon the cost effective supply of high quality products from our key agency / OEM suppliers. The food manufacturing equipment market continues to consolidate and this M&A activity can unfortunately lead to the end of long standing distribution agreements due to potential perceived or real conflicts of interest. The Group seeks to mitigate this risk by continuing to source high quality new OEM partners as well as maintaining long term transparent and constructive relationships with existing OEM suppliers.

Information Technology ("IT") – Group IT systems and the information they contain are subject to security risks including the unexpected loss of continuity from virus or other issues, and the deliberate breach of security controls for commercial gain or mischief. Any such occurrences could have a significant detrimental effect on the Group's business activities. These risks are mitigated by the utilisation of physical and embedded security systems, regular back-ups and disaster recovery planning.

Financial risks - The main financial risks faced by the Group are credit risk, foreign currency risk and liquidity risk. The Directors, in conjunction with the CFO, regularly review these risks. Credit risk is managed by monitoring limits and payment performance of customers. Where a customer is deemed to represent an unacceptable level of credit risk, terms of trade are modified to limit the Group's exposure.

INTERFOOD TECHNOLOGY LTD.

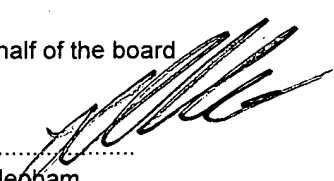
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors consider the level of general credit risk in current market conditions to be normal. Foreign currency risk is managed by matching payments and receipts in foreign currency to minimise exposure. With no external debt within the Group, liquidity risk is currently considered to be low but cashflow forecasting is nevertheless maintained on a regular basis.

The Board is confident that the strengths of the Company, which includes its long-standing customer relationships, breadth and quality of products, strong OEM / agency relationships and loyal staff will continue to enable the Group to deliver both its short term and longer term plans.

On behalf of the board



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J I Sydepham

Director

30/11/19.....

INTERFOOD TECHNOLOGY LTD.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Principal activities

The principal activity of the company and group continued to be that of the distribution of industrial food manufacturing, processing and production machinery.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M Bishop

J I Sydenham

J Meyrahn

R Unwin

(Appointed 2 January 2018)

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £3,494,400. The directors do not recommend payment of a further dividend.

Auditor

In accordance with the company's articles, a resolution proposing that Richardsons be reappointed as auditor of the group will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board


J I Sydenham

Director

Date: 31/1/19

INTERFOOD TECHNOLOGY LTD.

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INTERFOOD TECHNOLOGY LTD.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERFOOD TECHNOLOGY LTD.

Opinion

We have audited the financial statements of Interfood Technology Ltd. (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and the parent company's affairs as at 31 December 2018 and of the group's profit 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 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 group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

INTERFOOD TECHNOLOGY LTD.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INTERFOOD TECHNOLOGY LTD.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

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.

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

Auditor's responsibilities for the audit of the financial statements

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

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

INTERFOOD TECHNOLOGY LTD.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INTERFOOD TECHNOLOGY LTD.

Simon Husband (Senior Statutory Auditor)
for and on behalf of Richardsons

Chartered Accountants
Statutory Auditor

31/1/19

30 Upper High Street
Thame
Oxfordshire
OX9 3EZ

INTERFOOD TECHNOLOGY LTD.

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	3	30,134,626	29,500,498
Cost of sales		(20,094,846)	(18,558,450)
Gross profit		10,039,780	10,942,048
Administrative expenses		(7,627,060)	(7,421,549)
Operating profit	4	2,412,720	3,520,499
Interest receivable and similar income	8	12,663	3,436
Interest payable and similar expenses	9	(18,617)	(24,766)
Profit before taxation		2,406,766	3,499,169
Tax on profit	10	(472,963)	(719,915)
Profit for the financial year	25	1,933,803	2,779,254

Profit for the financial year is all attributable to the owners of the parent company.

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

INTERFOOD TECHNOLOGY LTD.

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	£	£
Profit for the year	1,933,803	2,779,254
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,933,803</u>	<u>2,779,254</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

INTERFOOD TECHNOLOGY LTD.

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	12		677,402		696,384
Current assets					
Stocks	15	4,542,911		4,624,976	
Debtors	16	4,007,674		5,818,036	
Cash at bank and in hand		4,699,319		8,381,333	
		13,249,904		18,824,345	
Creditors: amounts falling due within one year	18	(6,559,296)		(10,591,794)	
Net current assets			6,690,608		8,232,551
Total assets less current liabilities			7,368,010		8,928,935
Creditors: amounts falling due after more than one year	19		(214,490)		(237,079)
Provisions for liabilities	21		(116,911)		(94,650)
Net assets			7,036,609		8,597,206
Capital and reserves					
Called up share capital	24	120,000		120,000	
Profit and loss reserves	25	6,916,609		8,477,206	
Total equity			7,036,609		8,597,206

The financial statements were approved by the board of directors and authorised for issue on 31/1/19 and are signed on its behalf by:

.....
J I Sydenham
Director

INTERFOOD TECHNOLOGY LTD.

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	12		677,402		696,384
Investments	13		300		300
			<u>677,702</u>		<u>696,684</u>
Current assets					
Stocks	15	266,708		260,308	
Debtors	16	4,595,559		3,632,404	
Cash at bank and in hand		1,259,777		2,037,910	
		<u>6,122,044</u>		<u>5,930,622</u>	
Creditors: amounts falling due within one year	18	(1,483,412)		(4,109,694)	
Net current assets			<u>4,638,632</u>		<u>1,820,928</u>
Total assets less current liabilities			<u>5,316,334</u>		<u>2,517,612</u>
Creditors: amounts falling due after more than one year	19		(214,490)		(237,079)
Provisions for liabilities	21		(91,400)		(35,000)
Net assets			<u>5,010,444</u>		<u>2,245,533</u>
Capital and reserves					
Called up share capital	24		120,000		120,000
Profit and loss reserves	25		4,890,444		2,125,533
Total equity			<u>5,010,444</u>		<u>2,245,533</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £6,259,311 (2017 - £2,649,296 profit).

The financial statements were approved by the board of directors and authorised for issue on 31/1/19 and are signed on its behalf by


J I Sydenham
Director

Company Registration No. 03800145

INTERFOOD TECHNOLOGY LTD.

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2017		120,000	6,837,952	6,957,952
Year ended 31 December 2017:				
Profit and total comprehensive income for the year		-	2,779,254	2,779,254
Dividends	11	-	(1,140,000)	(1,140,000)
Balance at 31 December 2017		120,000	8,477,206	8,597,206
Year ended 31 December 2018:				
Profit and total comprehensive income for the year		-	1,933,803	1,933,803
Dividends	11	-	(3,494,400)	(3,494,400)
Balance at 31 December 2018		120,000	6,916,609	7,036,609

INTERFOOD TECHNOLOGY LTD.

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2017		120,000	616,237	736,237
Year ended 31 December 2017:				
Profit and total comprehensive income for the year		-	2,649,296	2,649,296
Dividends	11	-	(1,140,000)	(1,140,000)
Balance at 31 December 2017		120,000	2,125,533	2,245,533
Year ended 31 December 2018:				
Profit and total comprehensive income for the year		-	6,259,311	6,259,311
Dividends	11	-	(3,494,400)	(3,494,400)
Balance at 31 December 2018		120,000	4,890,444	5,010,444

INTERFOOD TECHNOLOGY LTD.

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	29	765,577		5,095,022	
Interest paid		(18,617)		(24,766)	
Income taxes paid		(611,639)		(825,098)	
Net cash inflow from operating activities		<u>135,321</u>		<u>4,245,158</u>	
Investing activities					
Purchase of tangible fixed assets		(376,317)		(211,709)	
Proceeds on disposal of tangible fixed assets		90,161		47,969	
Interest received		12,663		3,436	
Net cash used in investing activities		<u>(273,493)</u>		<u>(160,304)</u>	
Financing activities					
Payment of finance leases obligations		(49,442)		(235,292)	
Dividends paid to equity shareholders		(3,494,400)		(1,140,000)	
Net cash used in financing activities		<u>(3,543,842)</u>		<u>(1,375,292)</u>	
Net (decrease)/increase in cash and cash equivalents		<u>(3,682,014)</u>		<u>2,709,562</u>	
Cash and cash equivalents at beginning of year		8,381,333		5,671,771	
Cash and cash equivalents at end of year		<u><u>4,699,319</u></u>		<u><u>8,381,333</u></u>	

INTERFOOD TECHNOLOGY LTD.

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	30		(2,869,643)		96,892
Interest paid			(18,373)		(23,647)
Income taxes paid			(72,549)		(52,966)
Net cash (outflow)/inflow from operating activities			(2,960,565)		20,279
Investing activities					
Purchase of tangible fixed assets		(376,317)		(211,709)	
Proceeds on disposal of tangible fixed assets		90,161		47,969	
Proceeds on disposal of subsidiaries		-		100	
Interest received		12,430		803	
Dividends received		6,000,000		2,500,000	
Net cash generated from investing activities			5,726,274		2,337,163
Financing activities					
Payment of finance leases obligations		(49,442)		(235,292)	
Dividends paid to equity shareholders		(3,494,400)		(1,140,000)	
Net cash used in financing activities			(3,543,842)		(1,375,292)
Net (decrease)/increase in cash and cash equivalents			(778,133)		982,150
Cash and cash equivalents at beginning of year			2,037,910		1,055,760
Cash and cash equivalents at end of year			1,259,777		2,037,910

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Interfood Technology Ltd. ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is, 30 Upper High Street, Thame, Oxfordshire, OX9 3EZ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

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

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.2 Turnover

The group recognises revenues on the sale of products, net of discounts, sales incentives, customer bonuses, rebates granted and sales tax. The sale is recognised when products are delivered to the customer's premises, which is when title and risks and rewards of ownership pass to the customer.

Revenues from services provided and commissions received are recognised over the term of the underlying contract.

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.3 Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short Leasehold	25% straight line basis
Plant and equipment	25% straight line basis
Computer equipment	50% straight line basis
Motor vehicles	25% straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.4 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1.5 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax assets and liabilities are not discounted.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.7 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Retirement benefits

The company operates a defined contribution pension scheme covering the directors. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

1.10 Leases

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are charged against profit on a straight line basis over the lease term.

1.11 Foreign exchange

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

1.12 Intercompany Balances

Intercompany balances are repayable on demand. Upon consolidation intercompany balances are eliminated.

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2018 £	2017 £
Turnover analysed by class of business		
Goods	27,896,333	27,558,189
Services	1,820,000	1,554,054
Commissions	83,461	71,949
Other	334,832	316,306
	<u>30,134,626</u>	<u>29,500,498</u>

	2018 £	2017 £
Other significant revenue		
Interest income	<u>12,663</u>	<u>3,436</u>

	2018 £	2017 £
Turnover analysed by geographical market		
United Kingdom	26,549,474	24,017,970
Europe	3,585,152	5,482,528
	<u>30,134,626</u>	<u>29,500,498</u>

4 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	109,254	(221,578)
Depreciation of owned tangible fixed assets	105,835	92,824
Depreciation of tangible fixed assets held under finance leases	276,185	248,283
Profit on disposal of tangible fixed assets	<u>(76,882)</u>	<u>(45,815)</u>

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

5 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	28,450	27,300
For other services		
Taxation compliance services	8,800	8,800
All other non-audit services	2,750	2,650
	<u>11,550</u>	<u>11,450</u>

6 Employees

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Directors	4	4	4	3
Engineers	25	27	-	-
Sales	9	9	3	3
Office staff	28	23	23	21
	<u>66</u>	<u>63</u>	<u>30</u>	<u>27</u>

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	4,585,431	4,710,656	2,222,791	2,374,708
Social security costs	610,591	642,384	324,533	359,234
Pension costs	202,386	197,104	105,821	102,625
	<u>5,398,408</u>	<u>5,550,144</u>	<u>2,653,145</u>	<u>2,836,567</u>

7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	1,035,757	1,009,005
Company pension contributions to defined contribution schemes	26,560	20,000
	<u>1,062,317</u>	<u>1,029,005</u>

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

7 Directors' remuneration

(Continued)

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	383,207	504,587

8 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	113	2,407
Other interest income	12,550	1,029
Total income	12,663	3,436

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	113	2,407
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9 Interest payable and similar expenses

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	17,923	23,011
Other interest on financial liabilities	694	1,755
	18,617	24,766

10 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	468,673	682,252
Foreign current tax on profits for the current period	-	7,636
Adjustments in foreign tax in respect of prior periods	-	4,727
Total current tax	468,673	694,615
Deferred tax		
Origination and reversal of timing differences	4,290	25,300
Total tax charge	472,963	719,915

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	2,406,766	3,499,169
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	457,286	673,450
Tax effect of expenses that are not deductible in determining taxable profit	20,116	25,614
Tax effect of income not taxable in determining taxable profit	(14,608)	(8,819)
Permanent capital allowances in excess of depreciation	10,317	(10,587)
Effect of overseas tax rates	-	12,363
Under/(over) provided in prior years	1,016	(554)
Deferred tax adjustments in respect of prior years	4,290	25,300
General provisions not deductible	(5,454)	5,527
Foreign tax expensed	-	(2,379)
Taxation charge	472,963	719,915

11 Dividends

	2018 £	2017 £
Interim paid	3,494,400	1,140,000

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

12 Tangible fixed assets

Group	Short Leasehold £	Plant and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2018	1,480	301,538	307,884	1,261,520	1,872,422
Additions	-	29,188	22,700	324,429	376,317
Disposals	(1,480)	(30,970)	(110,675)	(309,149)	(452,274)
At 31 December 2018	-	299,756	219,909	1,276,800	1,796,465
Depreciation and impairment					
At 1 January 2018	1,480	164,660	246,497	763,401	1,176,038
Depreciation charged in the year	-	50,012	46,404	285,604	382,020
Eliminated in respect of disposals	(1,480)	(30,972)	(110,475)	(296,068)	(438,995)
At 31 December 2018	-	183,700	182,426	752,937	1,119,063
Carrying amount					
At 31 December 2018	-	116,056	37,483	523,863	677,402
At 31 December 2017	-	136,878	61,387	498,119	696,384
Company					
	Short Leasehold £	Plant and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2018	1,480	301,538	307,884	1,261,520	1,872,422
Additions	-	29,188	22,700	324,429	376,317
Disposals	(1,480)	(30,970)	(110,675)	(309,149)	(452,274)
At 31 December 2018	-	299,756	219,909	1,276,800	1,796,465
Depreciation and impairment					
At 1 January 2018	1,480	164,660	246,497	763,401	1,176,038
Depreciation charged in the year	-	50,012	46,404	285,604	382,020
Eliminated in respect of disposals	(1,480)	(30,972)	(110,475)	(296,068)	(438,995)
At 31 December 2018	-	183,700	182,426	752,937	1,119,063
Carrying amount					
At 31 December 2018	-	116,056	37,483	523,863	677,402
At 31 December 2017	-	136,878	61,387	498,119	696,384

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

12 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2018 £	2017 £	Company 2018 £	2017 £
Motor vehicles	517,580	475,348	517,580	475,348
Depreciation charge for the year in respect of leased assets	276,185	248,283	276,185	248,283

13 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	14	-	-	300	300

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost or valuation	
At 1 January 2018 and 31 December 2018	300
Carrying amount	
At 31 December 2018	300
At 31 December 2017	300

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Interfood Butchery Limited	England	Dormant	Ordinary	100.00	
Interfood Limited	England	Dormant	Ordinary	100.00	
Interfood Product Development Limited	England	Non trading	Ordinary	100.00	
Interfood Slicing Limited	England	Distribution of industrial food machinery	Ordinary	100.00	
Interfood Systems Limited	England	Distribution of industrial food machinery	Ordinary	100.00	
Process-Pack Limited	England	Dormant	Ordinary	100.00	

15 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Finished goods and goods for resale	4,542,911	4,624,976	266,708	260,308

Stock recognised in cost of sales amounted to £6,337,571 (2017: £6,359,791).

16 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
Amounts falling due within one year:				
Trade debtors	2,380,916	3,306,697	67,975	241,858
Amounts owed by group undertakings	-	-	3,778,520	2,329,302
Other debtors	1,222,657	1,858,527	487,005	668,803
Prepayments and accrued income	376,379	620,800	234,337	360,429
	3,979,952	5,786,024	4,567,837	3,600,392
Deferred tax asset (note 22)	27,722	32,012	27,722	32,012
	4,007,674	5,818,036	4,595,559	3,632,404

17 Cash At Bank

An intercompany guarantee exists as formal security over the bank accounts between Interfood Systems Limited, Interfood Slicing Limited and Interfood Product Development Limited.

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

18 Creditors: amounts falling due within one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Obligations under finance leases	20	184,571	211,424	184,571	211,424
Trade creditors		2,687,267	2,379,065	136,168	277,271
Amounts owed to group undertakings		-	-	-	1,845,466
Corporation tax payable		89,285	232,251	41,200	38,161
Other taxation and social security		944,774	1,172,558	504,987	569,366
Other creditors		1,088,767	3,722,847	33,751	265,689
Accruals and deferred income		1,564,632	2,873,649	582,735	902,317
		<u>6,559,296</u>	<u>10,591,794</u>	<u>1,483,412</u>	<u>4,109,694</u>

19 Creditors: amounts falling due after more than one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Obligations under finance leases	20	<u>214,490</u>	<u>237,079</u>	<u>214,490</u>	<u>237,079</u>

20 Finance lease obligations

	Group 2018 £	2017 £	Company 2018 £	2017 £
Future minimum lease payments due under finance leases:				
Within one year	184,572	211,424	184,572	211,424
In two to five years	214,489	237,079	214,489	237,079
	<u>399,061</u>	<u>448,503</u>	<u>399,061</u>	<u>448,503</u>

21 Provisions for liabilities

	Group 2018 £	2017 £	Company 2018 £	2017 £
Other provisions	25,511	59,650	-	-
Dilapidations	91,400	35,000	91,400	35,000
	<u>116,911</u>	<u>94,650</u>	<u>91,400</u>	<u>35,000</u>

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

21 Provisions for liabilities

(Continued)

Movements on provisions:

Group	Other provisions	Dilapidations	Total
	£	£	£
At 1 January 2018	59,650	35,000	94,650
Additional provisions in the year	-	56,400	56,400
Utilisation of provision	(34,139)	-	(34,139)
At 31 December 2018	25,511	91,400	116,911

Company	Other provisions	Dilapidations	Total
	£	£	£
At 1 January 2018	-	35,000	35,000
Additional provisions in the year	-	56,400	56,400
At 31 December 2018	-	91,400	91,400

22 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Assets 2018	Assets 2017
	£	£
Accelerated capital allowances	32,012	57,312
Tax losses	(4,290)	(25,300)
	27,722	32,012

Company	Assets 2018	Assets 2017
	£	£
Accelerated capital allowances	32,012	57,312
Tax losses	(4,290)	(25,300)
	27,722	32,012

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

22 Deferred taxation

(Continued)

	Group 2018 £	Company 2018 £
Movements in the year:		
Liability/(asset) at 1 January 2018	(32,012)	(32,012)
Charge to profit or loss	4,290	4,290
Liability/(asset) at 31 December 2018	<u>(27,722)</u>	<u>(27,722)</u>

23 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>202,386</u>	<u>197,104</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

24 Share capital

	Group and company 2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
62,400 Ordinary 'A' of £1 each	62,400	62,400
28,800 Ordinary 'B' of £1 each	28,800	28,800
28,800 Ordinary 'C' of £1 each	28,800	28,800
	<u>120,000</u>	<u>120,000</u>

Each share is entitled to one vote in any circumstance. Any profits which the directors lawfully determine to distribute shall be distributed among the holders pro rata to the number of shares held. On winding up or other return of capital, any capital shall be distributed among the holders of shares pro rata in relation to the number of shares held. The shares are non-redeemable.

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

25 Profit and loss reserves

	Group 2018 £	2017 £	Company 2018 £	2017 £
At the beginning of the year	8,477,206	6,837,952	2,125,533	616,237
Profit for the year	1,933,803	2,779,254	6,259,311	2,649,296
Dividends	(3,494,400)	(1,140,000)	(3,494,400)	(1,140,000)
At the end of the year	<u>6,916,609</u>	<u>8,477,206</u>	<u>4,890,444</u>	<u>2,125,533</u>

26 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Within one year	172,046	173,680	172,046	173,680
Between two and five years	688,184	694,720	688,184	694,720
In over five years	587,824	767,087	587,824	767,087
	<u>1,448,054</u>	<u>1,635,487</u>	<u>1,448,054</u>	<u>1,635,487</u>

27 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Aggregate compensation	<u>1,327,953</u>	<u>1,390,488</u>

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sale of goods 2018 £	2017 £	Purchase of goods 2018 £	2017 £
Group				
Other related parties	<u>-</u>	<u>72,256</u>	<u>1,717,258</u>	<u>1,387,656</u>

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

27 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2018 £	2017 £
Group		
Other related parties	372,118	422,220

Terms and conditions of transactions with related parties

Sales and purchases between related parties are made at normal market prices. Outstanding balances with entities are unsecured and interest free.

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Within amounts owed to key management are amounts due to the directors.

28 Controlling party

The results of Interfood Technology Limited are included in the group accounts prepared by Process-Pack GmbH & Co. KG, a company incorporated in Germany. The address from which the accounts can be obtained is shown below:

Niedeckerstraße 1
65795 Hattersheim a. M.
Germany

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

29 Cash generated from group operations

	2018 £	2017 £
Profit for the year after tax	1,933,803	2,779,254
Adjustments for:		
Taxation charged	472,963	719,915
Finance costs	18,617	24,766
Investment income	(12,663)	(3,436)
Gain on disposal of tangible fixed assets	(76,882)	(45,815)
Depreciation and impairment of tangible fixed assets	382,020	341,107
Increase in provisions	22,261	34,650
Movements in working capital:		
Decrease/(increase) in stocks	82,065	(69,842)
Decrease/(increase) in debtors	1,817,512	(399,451)
(Decrease)/increase in creditors	(3,874,119)	1,713,874
Cash generated from operations	765,577	5,095,022

30 Cash generated from operations - company

	2018 £	2017 £
Profit for the year after tax	6,259,311	2,649,296
Adjustments for:		
Taxation charged	79,878	79,091
Finance costs	18,373	23,647
Investment income	(6,012,430)	(2,500,803)
Gain on disposal of tangible fixed assets	(76,882)	(45,815)
Depreciation and impairment of tangible fixed assets	382,020	341,107
Increase/(decrease) in provisions	56,400	(25,000)
Movements in working capital:		
(Increase)/decrease in stocks	(6,400)	90,665
(Increase)/decrease in debtors	(956,005)	837,580
(Decrease) in creditors	(2,613,908)	(1,352,876)
Cash (absorbed by)/generated from operations	(2,869,643)	96,892