
Directors' report and financial statements

Compleat Food Network Limited

For the year ended: 31 January 2019

Company registration number: 03848874



COMPLEAT FOOD NETWORK LIMITED

COMPANY INFORMATION

Directors	S Bell (appointed 14 December 2018) M Mandavia (appointed 14 December 2018) E Pedder T Scarborough D Sitton (resigned 14 December 2018)
Registered number	03848874
Registered office	Suite A31 Elstree Tower Elstree Way Borehamwood Hertfordshire WD6 1SD
Independent auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors Pennant House 1-2 Napier Court Reading RG1 8BW

COMPLEAT FOOD NETWORK LIMITED

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COMPLEAT FOOD NETWORK LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 JANUARY 2019

Introduction

Donatantonio Group is an importer, packer and distributor of premium quality foods of predominantly Mediterranean origin.

Following a strategy review in the year, the Company decided to acquire a competitor company, Compleat Food Network Limited. As well as being an importer and distributor of foods of predominantly Mediterranean origin, the acquired company also trades in UK sourced foods. Being approximately the same size in terms of turnover, the acquisition effectively doubled the size of Donatantonio.

The acquisition not only strengthened Donatantonio's position in the Foodservice, Food Manufacturing and Food Retail sectors, it better prepared the company to weather the uncertainty and risks surrounding Brexit.

Business review

The company and its parent, Donatantonio Group Limited ("DGL") comprise a medium-sized group. During the year, DGL acquired a new subsidiary, Compleat Food Network Limited.

Normalised earnings before interest, tax, depreciation and amortisation ('EBITDA') for the group as a whole are shown below:

	31 January 2019 £	31 March 2018 £
Operating profit	324,355	305,987
Depreciation	34,677	37,001
Amortisation	328,969	294,271
	<u>688,001</u>	<u>637,259</u>

COMPLEAT FOOD NETWORK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 JANUARY 2019

Principal risks and uncertainties

The Group is subject to risks that are common to other companies, and also ones that are specific to being an importer. Careful risk management is fundamental to the ability of the business to execute its strategic objectives.

RISKS	MITIGATION
People The resignation of key team members could adversely impact the Company's results	This risk is mitigated through a combination of staff training, competitive remuneration packages and succession planning.
Competition The food import and distribution market is well developed, fragmented and highly competitive.	To mitigate the inherent risks of operating in a highly competitive market, the Company acquired a competitor, Compleat Food Network Limited.
Credit Risk Trading on an uninsured basis with customers who have a poor credit rating may give rise to bad debts.	The Company operates rigorous credit control procedures to minimise its exposure to bad debts. In addition, the entire receivables book is covered by an insurance policy. The combined company now has reduced concentrations for each of its largest customers.
Foreign Currency Risk Being an importer predominantly from the Eurozone area, the Euro-Sterling currency exchange rate presents a particular risk to the Company. This was compounded by the decision for the UK to leave the EU following the June 2016 referendum.	The business forward buys currency for the entire length of any customer contracts up to a year. A greater proportion of the business is now covered by fixed term and volume contracts. The company forward buys currency three months in advance for spot business.

COMPLEAT FOOD NETWORK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 JANUARY 2019**

Summary and current trading

The Group had a good year with its strategy continuing to bear fruit. It will adapt to the Brexit decision by reviewing all costs and prices as and when necessary.

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


M Mandavia
Director

Date:

10/10/19

COMPLEAT FOOD NETWORK LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 JANUARY 2019

The directors present their report and the financial statements for the period ended 31 January 2019.

Directors' responsibilities statement

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.

Results and dividends

The profit for the period, after taxation, amounted to £712,711 (2018 - £535,417).

No final dividends are proposed based on these results.

Directors

The directors who served during the period were:

S Bell (appointed 14 December 2018)
M Mandavia (appointed 14 December 2018)
E Pedder
T Scarborough
D Sitton (resigned 14 December 2018)

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.

COMPLEAT FOOD NETWORK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 JANUARY 2019**

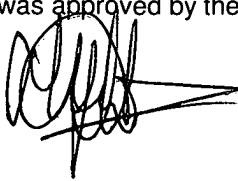
Post balance sheet events

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

Auditors

Under section 487(2) of the Companies Act 2006, MHA MacIntyre Hudson will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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



M Mandavia
Director

Date:

10/10/19

COMPLEAT FOOD NETWORK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COMPLEAT FOOD NETWORK LIMITED

Opinion

We have audited the financial statements of Compleat Food Network Limited (the 'Company') for the period ended 31 January 2019, which comprise the Statement of Income and Retained Earnings, the Balance Sheet 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 31 January 2019 and of its profit for the period 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.

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

COMPLEAT FOOD NETWORK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COMPLEAT FOOD NETWORK LIMITED (CONTINUED)

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 period 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.

COMPLEAT FOOD NETWORK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COMPLEAT FOOD NETWORK 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, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA MacIntyre Hudson

Jason Mitchell (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants

Statutory Auditors

Pennant House

1-2 Napier Court

Reading

RG1 8BW

Date:

14/10/2019

COMPLEAT FOOD NETWORK LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE PERIOD ENDED 31 JANUARY 2019**

	Note	2019 £	2018 £
Turnover	4	17,491,969	24,607,246
Cost of sales		(15,689,163)	(22,558,523)
Gross profit		1,802,806	2,048,723
Administrative expenses		(923,804)	(1,444,300)
Operating profit		879,002	604,423
Amounts written off investments		-	25,000
Interest receivable and similar income	8	11,913	17,336
Interest payable and expenses	9	21,367	(50,917)
Profit before tax		912,282	595,842
Tax on profit	10	(199,571)	(60,425)
Profit after tax		712,711	535,417
Retained earnings at the beginning of the period		1,013,375	1,052,958
Profit for the period		712,711	535,417
Dividends declared and paid		-	(575,000)
Retained earnings at the end of the period		1,726,086	1,013,375

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of income and retained earnings.

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

COMPLEAT FOOD NETWORK LIMITED
REGISTERED NUMBER: 03848874


BALANCE SHEET
AS AT 31 JANUARY 2019

	Note	31 January 2019 £	31 March 2018 £
Fixed assets			
Intangible assets	12	669,026	751,313
Tangible assets	13	39,004	66,003
		<u>708,030</u>	<u>817,316</u>
Current assets			
Stocks	15	1,245,731	1,877,371
Debtors: amounts falling due within one year	16	4,704,142	3,693,485
Cash at bank and in hand	17	215,596	370,388
		<u>6,165,469</u>	<u>5,941,244</u>
Creditors: amounts falling due within one year	18	(4,887,407)	(5,741,189)
Net current assets		<u>1,278,062</u>	<u>200,055</u>
Total assets less current liabilities		<u>1,986,092</u>	<u>1,017,371</u>
Creditors: amounts falling due after more than one year	19	(255,557)	-
Provisions for liabilities			
Deferred tax	21	(3,449)	(2,996)
		<u>(3,449)</u>	<u>(2,996)</u>
Net assets		<u><u>1,727,086</u></u>	<u><u>1,014,375</u></u>
Capital and reserves			
Called up share capital	22	1,000	1,000
Profit and loss account		1,726,086	1,013,375
		<u><u>1,727,086</u></u>	<u><u>1,014,375</u></u>

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

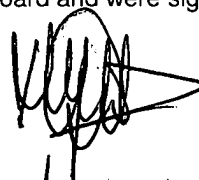
S Bell
Director

Date:


10/10/19

M Mandavia
Director

Date:


10/10/19

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2019**

1. General information

Compleat Food Network Limited is a private Company, limited by shares, incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on the Company Information page. The nature of the group's operations and its principal activities are set out on the Strategic Report on pages 1-2.

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the Company operates.

2. Accounting policies**2.1 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 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Donatantonio Group Limited as at 31 January 2019 and these financial statements may be obtained from Lupa House, York Way, Borehamwood, Hertfordshire, WD6 1PX.

2.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom 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 judgement in applying the Company's accounting policies (see note 3).

The Company has elected to apply all amendments to FRS 102, as set out in the triennial review published in December 2017, prior to the mandatory adoption for accounting periods beginning on or after 1 January 2019.

The following accounting policies have been applied:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2019**

2. Accounting policies (continued)**2.3 Revenue**

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

Sale of goods

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

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

2.4 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 Income and Retained Earnings 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 Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

2.5 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2019**

2. Accounting policies (continued)**2.6 Finance costs**

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the period in which they are incurred.

2.8 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 Income and Retained Earnings 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.

2.9 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

COMPLEAT FOOD NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JANUARY 2019

2. Accounting policies (continued)

2.10 Intangible assets

Goodwill

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

Other intangible assets

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

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	10% straight line
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2.11 Tangible fixed assets

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

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:

Tenant's improvements	-	10% straight line
Office equipment	-	25% straight line

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 Income and Retained Earnings.

COMPLEAT FOOD NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JANUARY 2019

2. Accounting policies (continued)

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

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

2.13 Stocks

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

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

2.14 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.

2.15 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.

2.16 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.

COMPLEAT FOOD NETWORK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2019**

2. Accounting policies (continued)**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 Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

2.18 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 ordinary shares.

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

COMPLEAT FOOD NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JANUARY 2019

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

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the times when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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

Critical judgements in applying the company's accounting policies

The directors are happy that there are no critical judgements that have a significant effect on the amounts recognised in the statutory financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Recoverability of receivables

The company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the ageing of receivables, past experience of recoverability, and the credit profile of individuals or groups of customers.

4. Turnover

The whole of the turnover is attributable to the sale of goods and arose wholly within the United Kingdom.

5. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>8,250</u>	<u>7,500</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.

COMPLEAT FOOD NETWORK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2019**

6. Employees

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

	2019 £	2018 £
Wages and salaries	434,328	641,887
Social security costs	33,240	6,118
Cost of defined contribution scheme	12,810	28,013
	<u>480,378</u>	<u>676,018</u>

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

	2019 No.	2018 No.
Distribution	3	3
Administration	12	16
	<u>15</u>	<u>19</u>

7. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	41,667	52,500
Company contributions to defined contribution pension schemes	3,750	4,500
	<u>45,417</u>	<u>57,000</u>

During the period retirement benefits were accruing to 1 directors (2018 - 2) in respect of defined contribution pension schemes.

8. Interest receivable

	2019 £	2018 £
Other finance income	<u>11,913</u>	<u>17,336</u>

COMPLEAT FOOD NETWORK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2019**

9. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	6,246	202
Foreign exchange (gains)/losses	(27,613)	50,715
	<u>(21,367)</u>	<u>50,917</u>

10. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	199,118	64,714
Deferred tax		
Origination and reversal of timing differences	(4,688)	(4,289)
Changes to tax rates	(957)	-
Prior year adjustment	6,098	-
Taxation on profit on ordinary activities	<u>199,571</u>	<u>60,425</u>

COMPLEAT FOOD NETWORK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2019**

10. Taxation (continued)**Factors affecting tax charge for the period/year**

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

	2019 £	2018 £
Profit on ordinary activities before tax	912,282	595,842
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	173,334	113,210
Effects of:		
Expenses not deductible for tax purposes	20,544	4,323
Capital allowances for period in excess of depreciation	-	23,050
Adjustments to tax charge in respect of prior periods	6,098	-
Adjustment due to research and development tax credit	-	(80,158)
Change in tax rate	(405)	-
Total tax charge for the period/year	199,571	60,425

Factors that may affect future tax charges

The UK corporation tax rate of 19% (effective from 1 April 2017) will reduce to 17% (effective 1 April 2020). The reduction in tax rate was included in the 2016 Finance Act which was substantively enacted on 6 September 2016.

11. Dividends

	31 January 2019 £	31 March 2018 £
Paid on ordinary shares	-	575,000

COMPLEAT FOOD NETWORK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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12. Intangible assets

	Goodwill £
Cost	
At 1 April 2018	987,438
At 31 January 2019	<u>987,438</u>
Amortisation	
At 1 April 2018	236,125
Charge for the year	82,287
At 31 January 2019	<u>318,412</u>
Net book value	
At 31 January 2019	<u><u>669,026</u></u>
At 31 March 2018	<u><u>751,313</u></u>

Goodwill consists of a material asset of £669,026 (2018: £751,313) which relates to the acquisition of the trade and assets of Food Network Limited. Food Network Limited is a dormant subsidiary of the company. The carrying value is being written off over 10 years.

COMPLEAT FOOD NETWORK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2019**

13. Tangible fixed assets

	Tenant's improvements £	Office equipment £	Total £
Cost or valuation			
At 1 April 2018	39,272	132,090	171,362
At 31 January 2019	39,272	132,090	171,362
Depreciation			
At 1 April 2018	11,779	93,580	105,359
Charge for the period on owned assets	3,270	23,729	26,999
At 31 January 2019	15,049	117,309	132,358
Net book value			
At 31 January 2019	24,223	14,781	39,004
At 31 March 2018	27,493	38,510	66,003

14. Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Food Network Limited	The Manor House 34 London Road Newbury Berkshire RG14 1JX England	Ordinary	100%

COMPLEAT FOOD NETWORK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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15. Stocks

	31 January 2019 £	31 March 2018 £
Finished goods	<u>1,245,731</u>	<u>1,877,371</u>

16. Debtors

	31 January 2019 £	31 March 2018 £
Trade debtors	2,870,236	3,008,966
Amounts owed by group undertakings	1,775,369	-
Other debtors	43,110	682,597
Prepayments and accrued income	15,427	1,922
	<u>4,704,142</u>	<u>3,693,485</u>

17. Cash and cash equivalents

	31 January 2019 £	31 March 2018 £
Cash at bank and in hand	<u>215,596</u>	<u>370,388</u>

In previous years, the amount owing on the invoice discounting position was included within cash and cash equivalents. As this balance does not fall under the definition of cash and cash equivalents, it is not longer included in the above note.

COMPLEAT FOOD NETWORK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2019**

18. Creditors: Amounts falling due within one year

	31 January 2019 £	31 March 2018 £
Bank loans	133,332	-
Trade creditors	2,566,328	2,827,369
Corporation tax	280,680	64,714
Other taxation and social security	9,637	174,752
Proceeds of factored debts	1,775,038	2,331,860
Other creditors	4,141	91,408
Accruals and deferred income	118,251	251,086
	<u>4,887,407</u>	<u>5,741,189</u>

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

	31 January 2019 £	31 March 2018 £
Bank loans	255,557	-
	<u>255,557</u>	<u>-</u>

20. Loans

Analysis of the maturity of loans is given below:

	31 January 2019 £	31 March 2018 £
Amounts falling due within one year		
Bank loans	133,332	-
Amounts falling due 1-2 years		
Bank loans	255,557	-
	<u>388,889</u>	<u>-</u>

COMPLEAT FOOD NETWORK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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21. Deferred taxation

	2019 £	2018 £
At beginning of year	(2,996)	(7,285)
Charged to profit or loss	(453)	4,289
At end of year	(3,449)	(2,996)

The provision for deferred taxation is made up as follows:

	31 January 2019 £	31 March 2018 £
Accelerated capital allowances	(3,876)	(9,094)
Short term timings differences	427	6,098
	(3,449)	(2,996)

22. Share capital

	31 January 2019 £	31 March 2018 £
Allotted, called up and fully paid		
1,000 (2018 - 1,000) Ordinary shares of £1.00 each	1,000	1,000

23. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £12,810 (2018 - £28,013). Contributions totalling £2,512 (2018 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

COMPLEAT FOOD NETWORK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2019**

24. Commitments under operating leases

At 31 January 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	31 January 2019 £	31 March 2018 £
Not later than 1 year	55,000	64,277
Later than 1 year and not later than 5 years	68,750	110,000
	<u>123,750</u>	<u>174,277</u>

25. Controlling party

Up to 14 December 2018, the ultimate controlling party was T Scarborough by virtue of his majority shareholding in the company. On 14 December 2018, the entire ordinary share capital was acquired by Donatantonio Group Limited, a company registered in England & Wales, which then became the immediate and ultimate parent company. Copies of the consolidated financial statements are available from the company's registered office. There is no single ultimate controlling party.

26. Related party transactions

Amounts were owed by directors, T Scarborough and E Pedder, as at 31 March 2018, of £298,587 and £298,586 respectively. These amounts were repaid in full as part of the acquisition by Donatantonio Group Limited.

No further transactions with related parties were undertaken such as are to be disclosed under section 33 of FRS102.