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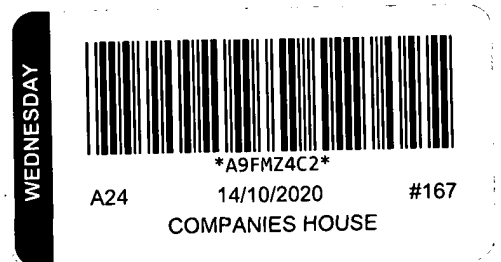
# Directors' report and financial statements

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## Compleat Food Network Limited

For the year ended: 31 January 2020

Company registration number: 03848874



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**COMPLEAT FOOD NETWORK LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	S Bell M Mandavia E Pedder T Scarborough
<b>Registered number</b>	03848874
<b>Registered office</b>	Pennant House 1-2 Napier Court Napier Road Reading RG1 8BW
<b>Independent auditors</b>	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors Pennant House 1-2 Napier Court Reading RG1 8BW

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**COMPLEAT FOOD NETWORK LIMITED**

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## COMPLEAT FOOD NETWORK LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 JANUARY 2020

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#### Introduction

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

Following the acquisition of Compleat Food Network Ltd last year, the integration of the two companies' businesses, systems, procedures and processes continued into 2019/20.

Donatantonio Group leased and ran its own warehouse and logistics operations. It was decided to surrender the lease on these and to go with a third-party warehouse and logistics company. As part of this, the Company moved into serviced offices. This transition was completed during the year. The exceptional costs in the accounts relate to this move.

#### Business review

The company and its parent, Donatantonio Group Limited ("DGL") comprise a medium-sized group.

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

	2020 £	2019 £
Operating profit	43,576	324,355
Exceptional items - relocation costs	571,732	-
Depreciation	31,154	34,677
Amortisation	579,984	328,969
	<u>1,226,446</u>	<u>688,001</u>

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## COMPLEAT FOOD NETWORK LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

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#### 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
<b>People</b> 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.
<b>Competition</b> 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.
<b>Credit Risk</b> 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.
<b>Foreign Currency Risk</b> 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.

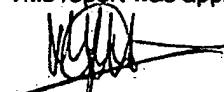
#### Summary and current trading

The Company had a good year with its strategy continuing to bear fruit. The move to third party offices and logistics will make the Company more efficient and better able to serve its customers.

Covid-19 did have an impact on the business. The closure of pubs and restaurants reduced sales on the food service side, as did the reduction in demand for ready meals and food to go, through people using their increased time to cook from scratch. However, this hit was mitigated by increased demand from the food box delivery companies. So, although the overall impact was negative, it was not as bad as a lot of similar companies out there. Going forward the demand for ready meals is picking up as people return to work. Food service should also be getting back to normal. The increased demand from the food box delivery companies should be permanent.

The Company 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: 8/10/20

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## **COMPLEAT FOOD NETWORK LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2020**

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The directors present their report and the financial statements for the year ended 31 January 2020.

#### **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 year, after taxation, amounted to £281,736 (2019 - £712,711).

No final dividends are proposed based on these results.

#### **Directors**

The directors who served during the year were:

S Bell  
M Mandavia  
E Pedder  
T Scarborough

#### **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.

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**COMPLEAT FOOD NETWORK LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JANUARY 2020**

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**Post balance sheet events**

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

**Auditors**

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



**M Mandavia**  
Director

Date: 8/10/20

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**COMPLEAT FOOD NETWORK LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMPLEAT FOOD NETWORK LIMITED**

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**Opinion**

We have audited the financial statements of Compleat Food Network Limited (the 'Company') for the year ended 31 January 2020, 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 2020 and of its 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 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 inconsistencies or apparent material misstatements, we are required to determine whether there is a material



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**COMPLEAT FOOD NETWORK LIMITED**

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

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misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 3, 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.

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**COMPLEAT FOOD NETWORK LIMITED**

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

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**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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

This report is made solely to the Company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members for our audit work, for this report, or for the opinions we have formed.

*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:

*9 October 2020*

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**COMPLEAT FOOD NETWORK LIMITED**

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**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 JANUARY 2020**

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	Note	2020 £	2019 £
Turnover	4	8,615,738	17,491,969
Cost of sales		(7,909,695)	(15,689,163)
<b>Gross profit</b>		<b>706,043</b>	<b>1,802,806</b>
Administrative expenses		(326,579)	(923,804)
<b>Operating profit</b>	5	<b>379,464</b>	<b>879,002</b>
Interest receivable and similar income	9	-	11,913
Interest payable and expenses	10	(54,762)	21,367
<b>Profit before tax</b>		<b>324,702</b>	<b>912,282</b>
Tax on profit	11	(42,966)	(199,571)
<b>Profit after tax</b>		<b>281,736</b>	<b>712,711</b>
Retained earnings at the beginning of the year		1,726,086	1,013,375
Profit for the year		281,736	712,711
<b>Retained earnings at the end of the year</b>		<b>2,007,822</b>	<b>1,726,086</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of income and retained earnings.

The notes on pages 10 to 24 form part of these financial statements.

**COMPLEAT FOOD NETWORK LIMITED**  
**REGISTERED NUMBER: 03848874**

**BALANCE SHEET**  
**AS AT 31 JANUARY 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	12	570,290	669,026
Tangible assets	13	33,225	39,004
		<u>603,515</u>	<u>708,030</u>
<b>Current assets</b>			
Stocks	15	-	1,245,731
Debtors: amounts falling due within one year	16	2,746,967	4,704,142
Cash at bank and in hand	17	12,884	215,596
		<u>2,759,851</u>	<u>6,165,469</u>
Creditors: amounts falling due within one year	18	(1,352,742)	(4,887,407)
<b>Net current assets</b>		<u>1,407,109</u>	<u>1,278,062</u>
<b>Total assets less current liabilities</b>		<u>2,010,624</u>	<u>1,986,092</u>
Creditors: amounts falling due after more than one year	19	-	(255,557)
<b>Provisions for liabilities</b>			
Deferred tax	21	(1,802)	(3,449)
		<u>(1,802)</u>	<u>(3,449)</u>
<b>Net assets</b>		<u>2,008,822</u>	<u>1,727,086</u>
<b>Capital and reserves</b>			
Called up share capital	22	1,000	1,000
Profit and loss account		2,007,822	1,726,086
		<u>2,008,822</u>	<u>1,727,086</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8/10/20

  
**M Mandavia**  
 Director

The notes on pages 10 to 24 form part of these financial statements.

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## COMPLEAT FOOD NETWORK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2020

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#### 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.

During the financial year, the majority of the trade in the Company was transferred to the fellow subsidiary, Lupa Foods Limited (Formerly Donatantonio Limited). Both Companies are subsidiaries of Donatantonio Group Limited, and the results of both Companies are included in the consolidated financial statements of Donatantonio Group Limited.

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 2020 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 following accounting policies have been applied:

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## COMPLEAT FOOD NETWORK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2020

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#### 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 YEAR ENDED 31 JANUARY 2020

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**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 year 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 year 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.

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**COMPLEAT FOOD NETWORK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020**

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**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.



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## COMPLEAT FOOD NETWORK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2020

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#### 2. Accounting policies (continued)

##### 2.12 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.

##### 2.13 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.

##### 2.14 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.

##### 2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.16 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.

##### 2.17 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.

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**COMPLEAT FOOD NETWORK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020**

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**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. Operating profit**

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	14,996	26,999
Amortisation of intangible assets, including goodwill	98,736	82,287

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**COMPLEAT FOOD NETWORK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020**

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**6. Auditors' remuneration**

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	5,000	5,000

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.

**7. Employees**

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

	2020 £	2019 £
Wages and salaries	33,465	434,328
Social security costs	6,800	33,240
Cost of defined contribution scheme	2,337	12,810
	<u>42,602</u>	<u>480,378</u>

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

	2020 No.	2019 No.
Distribution	-	3
Administration	2	12
	<u>2</u>	<u>15</u>

**8. Directors' remuneration**

	2020 £	2019 £
Directors' emoluments	8,333	41,667
Company contributions to defined contribution pension schemes	-	3,750
	<u>8,333</u>	<u>45,417</u>

During the year retirement benefits were accruing to no directors (2019 - NIL) in respect of defined contribution pension schemes.

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**COMPLEAT FOOD NETWORK LIMITED**

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**9. Interest receivable**

	2020 £	2019 £
Other finance income	-	11,913

**10. Interest payable and similar expenses**

	2020 £	2019 £
Bank interest payable	54,762	6,246
Foreign exchange (gains)/losses	-	(27,613)
	<u>54,762</u>	<u>(21,367)</u>

**11. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	44,613	199,118
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1,647)	(4,688)
Changes to tax rates	-	(957)
Prior year adjustment	-	6,098
<b>Taxation on profit on ordinary activities</b>	<u>42,966</u>	<u>199,571</u>

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

The tax assessed for the year/period is lower than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>324,702</u>	<u>912,282</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	61,693	173,334
Effects of:		
Expenses not deductible for tax purposes	19,182	20,544
Adjustments to tax charge in respect of prior periods	-	6,098
Change in tax rate	194	(405)
Group relief	(38,103)	-
<b>Total tax charge for the year/period</b>	<u><b>42,966</b></u>	<u><b>199,571</b></u>

**Factors that may affect future tax charges**

A reduction to the UK corporation tax rate down from 19% to 17% was announced in the 2016 Budget and enacted on 15 September 2016 (to be effective from 1 April 2020). However, it was announced in the 2020 Budget (and substantively enacted on 17 March 2020) that this reduction in rate would be reversed with 19% being maintained from 1 April 2020.

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**12. Intangible assets**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 February 2019	987,438
At 31 January 2020	<u>987,438</u>
<b>Amortisation</b>	
At 1 February 2019	318,412
Charge for the year on owned assets	98,736
At 31 January 2020	<u>417,148</u>
<b>Net book value</b>	
At 31 January 2020	<u><u>570,290</u></u>
At 31 January 2019	<u><u>669,026</u></u>

Goodwill consists of a material asset of £570,290 (2019: £669,026) 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.

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**13. Tangible fixed assets**

	Tenant's improvements £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 February 2019	39,272	132,090	171,362
Additions	9,217	-	9,217
At 31 January 2020	48,489	132,090	180,579
<b>Depreciation</b>			
At 1 February 2019	15,049	117,309	132,358
Charge for the year on owned assets	4,314	10,682	14,996
At 31 January 2020	19,363	127,991	147,354
<b>Net book value</b>			
At 31 January 2020	29,126	4,099	33,225
At 31 January 2019	24,223	14,781	39,004

**14. Subsidiary Undertakings**

Food Network Limited, registered office of Manor House, 34 London Rd, Newbury, RG14 1JX was a subsidiary during the year. The Company held 100% of the Ordinary Share Capital.

**15. Stocks**

	2020 £	2019 £
Finished goods	-	1,245,731

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**16. Debtors**

	2020 £	2019 £
Trade debtors	177,219	2,870,236
Amounts owed by group undertakings	2,532,428	1,775,369
Other debtors	27,298	43,110
Prepayments and accrued income	10,022	15,427
	<u>2,746,967</u>	<u>4,704,142</u>

**17. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	12,884	215,596

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.

**18. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Bank loans	256,478	133,332
Trade creditors	96,014	2,566,328
Corporation tax	44,613	280,680
Other taxation and social security	4,571	9,637
Proceeds of factored debts	951,066	1,775,038
Other creditors	-	4,141
Accruals and deferred income	-	118,251
	<u>1,352,742</u>	<u>4,887,407</u>

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

	2020 £	2019 £
Bank loans	-	255,557



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**20. Loans**

Analysis of the maturity of loans is given below:

	2020 £	2019 £
<b>Amounts falling due within one year</b>		
Bank loans	256,478	133,332
<b>Amounts falling due 1-2 years</b>		
Bank loans	-	255,557
	<u>256,478</u>	<u>388,889</u>

**21. Deferred taxation**

	2020 £	2019 £
At beginning of year	(3,449)	(2,996)
Charged to profit or loss	1,647	(453)
<b>At end of year</b>	<u>(1,802)</u>	<u>(3,449)</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(1,802)	(3,876)
Short term timings differences	-	427
	<u>(1,802)</u>	<u>(3,449)</u>

**22. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
1,000 (2019 - 1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

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**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 £2,337 (2019 - £12,810). Contributions totalling £Nil (2019 - £2,512) were payable to the fund at the balance sheet date and are included in creditors.

**24. Commitments under operating leases**

At 31 January 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	55,000	55,000
Later than 1 year and not later than 5 years	13,750	68,750
	<u>68,750</u>	<u>123,750</u>

**25. Controlling party**

The Company's immediate and ultimate parent company is Donatantonio Group Limited, a company registered in England & Wales. 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**

The Company is in the process of transferring its trade and assets to a fellow group company. At the year end it had transferred all of its stock and is in the process of transferring its revenue streams.

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

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**27. Post balance sheet events**

On 11 March 2020, the World Health Organisation declared the Coronavirus outbreak (COVID-19) a pandemic. Following on from this, the Company has taken steps to comply with the lockdown measures introduced by the UK Government to help stop the spread of COVID-19, and to protect its employees and customers.

Whilst it is not possible to quantify precisely the impact of the pandemic, as disruption to the global economy on this scale has not been seen in recent history, the Directors have taken a number of mitigating actions to ensure that the Company can continue in operation for the foreseeable future, including reductions to discretionary expenditure. In response to the COVID-19 pandemic, the Directors have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the Company, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.