

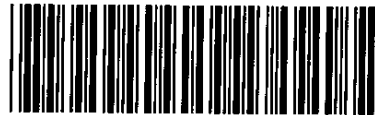
Registration number: 04418784

# Complan Foods Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2019

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## **Complan Foods Limited**

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## **Complan Foods Limited**

### **Company Information**

<b>Directors</b>	S L Roach A J Cuadra
<b>Company secretary</b>	Abogado Nominees Limited
<b>Registered office</b>	100 New Bridge Street London EC4V 6JA
<b>Bankers</b>	HSBC Bank plc 67-76 Park Street London SE1 9DZ

## Complan Foods Limited

### Strategic Report for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

#### Principal activity

The principal activity of the company is to exploit and protect its brand which remains owned by the company.

#### Fair review of the business

Royalty income for the year amounted to £316,000 (2018: £280,000). The loss for the financial year amounted to £54,000 (2018: £62,000). Dividends totalling £nil (2018: £226,000) were paid during the year. The net asset position of the company at year end was £1,810,000 (2018: £1,864,000).

#### Principal risks and uncertainties

As the company earns royalty income from the use of its brand by other group companies, it is not exposed to any significant external risks or uncertainties other than indirectly through the performance of those other group companies.

#### Financial risk management

The company's operations do not expose it to significant risk with regards to price or credit risk because it has no trade with parties outside of the Danone group. However, the company is exposed to the following financial risks: foreign exchange risk and liquidity risk.

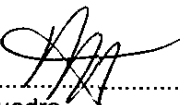
#### Foreign exchange risk

The company is exposed to foreign exchange risk, principally in respect of retranslating a portion of the royalties which are received in Euros. Although its exposure is unhedged in the company, there will be offsetting gains and losses in a fellow group undertaking such that there is minimal overall exposure to the Danone group.

#### Liquidity risk

Debt and cash balances predominantly relate to amounts payable to and receivable from fellow group undertakings. Such balances are managed to ensure the company has sufficient available funds for its operations.

Approved by the Board on 20/11/2020

  
.....  
A J Cuadra  
Director

## **Complan Foods Limited**

### **Directors' Report for the Year Ended 31 December 2019**

The directors present their report and the unaudited financial statements for the year ended 31 December 2019.

#### **Directors' of the company**

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

J A v Dongen (resigned 10 October 2019)

S L Roach

R D J Phillips (resigned 19 August 2020)

The following director was appointed after the year end:

A J Cuadra (appointed 19 August 2020)

#### **Dividends**

The directors recommend a dividend of £nil in respect of the year ended 31 December 2019 (2018: a dividend of £226,000, £0.20 per share, in respect of the year ending 31 December 2018 was declared and paid in 2019 and was recognised in the 2019 financial statements).

#### **Future developments**

The directors do not expect there to be a significant change to the company's activities but are reviewing the purpose of the company. A possible outcome of the review would result in a transfer of assets and liabilities to another group company in order to dissolve the company.

#### **Going concern**

The directors are reviewing the future purpose of the company giving rise to uncertainty over the going concern status. A possible outcome of the review would result in a transfer of assets and liabilities to another group company in order to dissolve the company. As such, these financial statements have been prepared on a basis other than going concern and the break up basis has been applied. All assets and liabilities have been presented as current, however as all assets and liabilities will be settled or transferred at their book value the measurement of all assets and liabilities remains unchanged.

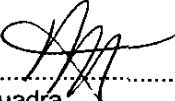
#### **Third Party Indemnity Provision**

Qualifying third party indemnity insurance is provided by Danone SA, the ultimate parent company and was in place for all directors during 2018 and continues to be in place at the date of signing the financial statements.

#### **Audit Exemption Statement**

For the year ending 31 December 2019, the company was entitled to exemption from audit under s479A-479C of the Companies Act 2006.

Approved by the Board on 20/11/2020 and signed on its behalf by:

  
.....  
A J Cuadra  
Director

## Complan Foods Limited

### Profit and Loss Account for the Year Ended 31 December 2019

	Note	2019 £ 000	2018 £ 000
Revenue		-	-
Administrative expenses		(383)	(348)
Other operating income	4	<u>316</u>	<u>280</u>
Operating loss	5	(67)	(68)
Other financial income		<u>2</u>	<u>-</u>
Loss before taxation		(65)	(68)
Tax on loss	7	<u>11</u>	<u>6</u>
Loss for the financial year		<u>(54)</u>	<u>(62)</u>
Total Loss for the year		<u>(54)</u>	<u>(62)</u>

The above results were derived from continuing operations.

There are no other items of other comprehensive income and hence no separate Statement of Other Comprehensive Income is presented.

The notes on pages 7 to 15 form an integral part of these financial statements.

# Complan Foods Limited

## Balance Sheet as at 31 December 2019

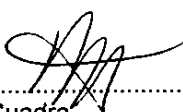
	Note	31 December 2019 £ 000	31 December 2018 £ 000
<b>Fixed assets</b>			
Intangible assets	8	-	1,353
<b>Current assets</b>			
Intangible assets	8	975	-
Trade and other receivables	9	845	521
Cash and cash equivalents		-	1
		<u>1,820</u>	<u>522</u>
<b>Trade and other payables</b>	10	<u>(10)</u>	<u>(11)</u>
<b>Net current assets</b>		<u>1,810</u>	<u>511</u>
<b>Net assets</b>		<u>1,810</u>	<u>1,864</u>
<b>Capital and reserves</b>			
Called up share capital	11	1,148	1,148
Share premium account		153	153
Other reserves		24	24
Retained earnings		<u>485</u>	<u>539</u>
<b>Total Shareholders' funds</b>		<u>1,810</u>	<u>1,864</u>

For the financial year ending 31 December 2019 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the Board of Directors on 20/11/2020

  
 .....  
 A J Cuadra  
 Director

## Complan Foods Limited

### Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £ 000	Share premium £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2018	1,148	153	24	827	2,152
Loss for the year	-	-	-	(62)	(62)
Total comprehensive income / (expense)	-	-	-	(62)	(62)
Dividends	-	-	-	(226)	(226)
At 31 December 2018	<u>1,148</u>	<u>153</u>	<u>24</u>	<u>539</u>	<u>1,864</u>

	Share capital £ 000	Share premium £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2019	1,148	153	24	539	1,864
Loss for the year	-	-	-	(54)	(54)
Total comprehensive income / (expense)	-	-	-	(54)	(54)
At 31 December 2019	<u>1,148</u>	<u>153</u>	<u>24</u>	<u>485</u>	<u>1,810</u>

Other reserves relates to the share based payment reserve and represents the cumulative share based payment charge.



## **Complan Foods Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019**

#### **1 General information**

The company is a private company limited by share capital, incorporated and domiciled in England and Wales.

The address of its registered office is:

100 New Bridge Street  
London  
EC4V 6JA

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

The financial statements have been prepared under the historical cost convention, and comply with the Companies Act 2006 as applicable to companies using FRS 101.

The following exemptions from the requirement of IFRS have been applied in preparation of these financial statements, in accordance with FRS 101;

- Paragraphs 45 (b) and 46 to 52 of IFRS 2, 'Share Based Payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial Instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1;
  - (ii) paragraph 73(e) of IAS 16 'Property, plant and equipment';
  - (iii) paragraph 118(e) of IAS 38 'Intangible assets' (reconciliation between the carrying amount at the beginning and the end of the period)

## Complan Foods Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)

#### 2 Accounting policies (continued)

- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - (i) 10(d) (statement of cash flows),
  - (ii) 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
  - (iii) 16 (statement of compliance with all IFRS),
  - (iv) 38A (requirement for minimum of two primary statements, including cash flow statements),
  - (v) 38B-D (additional comparative information),
  - (vi) 40A-D (requirements for a third statement of financial position),
  - (vii) 111 (cash flow statement information),
  - (viii) 134-136 (capital management disclosures).
- IAS 7, 'Statement of Cash flows'.
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirement in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.
- Paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of assets' (assumptions involved in estimating recoverable amounts of cash generating units containing goodwill or intangible assets with indefinite useful lives and management's approach to determining these amounts).
- The following paragraphs of IFRS 15 'Revenue from contracts with customers': 113(a), 114, 115, 118, 119(a) to 119(c), 120 to 127 and 129.

#### Going concern

The directors are reviewing the future purpose of the company giving rise to uncertainty over the going concern status. A possible outcome of the review would result in a transfer of assets and liabilities to another group company in order to dissolve the company. As such, these financial statements have been prepared on a basis other than going concern and the break up basis has been applied. All assets and liabilities have been presented as current, however as all assets and liabilities will be settled or transferred at their book value the measurement of all assets and liabilities remains unchanged.

## **Complan Foods Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **2 Accounting policies (continued)**

##### **Foreign currency translation**

###### **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 is determined.

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

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

###### **Functional and presentation currency**

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'pound sterling' (£) which is also the company's functional currency.

###### **Tax**

The tax expense for the period comprises current tax. Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

###### **Intangible assets**

Intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. Brands are amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over their useful economic life.

The assets' residual values, useful lives and amortisation methods are reviewed and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

###### **Amortisation**

<b>Asset class</b>	<b>Amortisation method and rate</b>
Brands	24.29 straight line years

## **Complan Foods Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **2 Accounting policies (continued)**

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### **Trade receivables**

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Loans and receivables are classified at fair value through the statement of comprehensive income.

##### **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

Dividend income is recognised when the right to receive payment is established.

#### **3 Critical accounting judgements and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimations and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed as follows.

## Complan Foods Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)

#### 3 Critical accounting judgements and key sources of estimation uncertainty (continued)

##### Impairment of non-financial assets

Non-financial assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments on non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

See note 8 for further details regarding assumptions.

#### 4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2019	2018
	£ 000	£ 000
Royalties receivable	316	280

#### 5 Operating loss

Arrived at after charging

	2019	2018
	£ 000	£ 000
Amortisation expense	378	377
Auditors remuneration	-	5

There were no non-audit related services provided by the company's auditors in 2019 (2018: nil).

#### 6 Employees and directors

##### Directors' emoluments

The directors received no emoluments (2018: nil) through this company. The emoluments of the directors are paid by other group undertakings and it is not possible to make an accurate apportionment of their emoluments in respect of each subsidiary.

##### Employee costs

The company has no staff members (2018: none).

There were no key management other than directors.

## Complan Foods Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)

#### 7 Tax on loss

Tax charged/(credited) in the profit and loss account

	2019 £ 000	2018 £ 000
<b>Current taxation</b>		
UK corporation tax	(12)	(13)
Arising from adjustments in respect of prior periods	<u>1</u>	<u>7</u>
	<u>(11)</u>	<u>(6)</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
Loss before taxation	<u>(65)</u>	<u>(68)</u>
Corporation tax at standard rate of 19% (2017: 19.25%)	(12)	(13)
Adjustments in respect of prior periods	<u>1</u>	<u>7</u>
Total tax credit	<u>(11)</u>	<u>(6)</u>

#### Factors affecting future tax charge

Changes to the UK corporation tax rates were announced in the Finance Bill 2016. These included reductions to the main rate to 19% from 1 April 2017 and to 17% from 1 April 2020. It should be noted that subsequent to the balance sheet date, the UK government enacted a change to the future tax rate; as per the Finance Act 2020, which now stands at 19%. Deferred taxes at the balance sheet date have been measured using the enacted tax rates at which they are expected to unwind and these have been reflected in the financial statements.

## Complan Foods Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)

#### 8 Intangible assets

	Brands £ 000
<b>Cost or valuation</b>	
At 1 January 2019	9,170
At 31 December 2019	9,170
<b>Amortisation</b>	
At 1 January 2019	7,817
Amortisation charge	378
At 31 December 2019	8,195
<b>Carrying amount</b>	
At 31 December 2019	975
At 31 December 2018	1,353

In order to review the carrying value of the brand, management has applied a value in use calculation based on the future cash flows of the business.

The cash flows used to determine the value in use of the cash generating units ('CGUs') are derived from the annual budgets and strategic plans of the CGUs, which are drawn up by management and cover a period of three years, and are extended, on the basis of the most recent forecasts, to eight years. The company uses projections over eight years to better reflect the divisions growth over this period. This is in line with the Danone SA group policy.

Future cash flow beyond these periods are extrapolated using a long-term growth for the division as a whole;

- The operational assumptions used to calculate the terminal value are in line with the above in terms of cash flows; and
- The long-term growth rate is determined by taking into account its average growth trend and its geographic area (macro-economic environment, demographics etc).

The weighted average terminal growth rate applied is 0%.

The post-tax weighted average cost of capital ('WACC') is 6.6%

## Complan Foods Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)

#### 9 Trade and other receivables

	31 December 2019 £ 000	31 December 2018 £ 000
Amounts due from related parties	830	442
Income tax asset	15	79
	<u>845</u>	<u>521</u>

Amounts due from related parties relate to a cash pooling facility and are interest free and repayable on demand. There is no provision for impairment held against this balance.

#### 10 Trade and other payables

	31 December 2019 £ 000	31 December 2018 £ 000
Accrued expenses	10	11
	<u>10</u>	<u>11</u>

#### 11 Called up share capital

##### Allotted, called up and fully paid shares

	31 December 2019		31 December 2018	
	No. 000	£ 000	No. 000	£ 000
Ordinary Shares of £1 each	<u>1,148</u>	<u>1,148</u>	<u>1,148</u>	<u>1,148</u>

#### 12 Dividends

The directors are proposing a final dividend of £Nil (2018 - £Nil) per share totalling £Nil (2018 - £Nil).



## **Complan Foods Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **13 Parent and ultimate parent undertaking**

The company's immediate parent is Danone Holdings (UK), a company registered in England and Wales.

The ultimate parent is Danone SA.

The most senior parent entity producing publicly available financial statements is Danone SA. These financial statements are available upon request from Danone SA

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