

**Company Registration No. 07104090**

**NOBLE DESSERTS HOLDINGS LIMITED**

**Consolidated Annual Report and Financial Statements**

**52 week period ended 28 September 2018**



# **NOBLE DESSERTS HOLDINGS LIMITED**

## **CONSOLIDATED ANNUAL REPORT AND FINANCIAL STATEMENTS 2018**

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# **NOBLE DESSERTS HOLDINGS LIMITED**

## **CONSOLIDATED ANNUAL REPORT AND FINANCIAL STATEMENTS 2018**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

D Burnett  
J Gildersleeve

#### **REGISTERED OFFICE**

Cotswold Farm  
Standlake  
Witney  
Oxfordshire  
OX29 7RB

#### **BANKERS**

Lloyds Bank plc  
PO Box 112  
Canons House  
Canons Way  
Bristol  
BS99 7LB

Coöperatieve Rabobank U.A  
Trading as Rabobank London  
Thames Court  
One Queenhithe  
London  
EC4V 3RL

#### **SOLICITORS**

Lyons Davidson  
Victoria House  
51 Victoria Street  
Bristol  
BS1 6AD

#### **AUDITOR**

Deloitte LLP  
Statutory Auditor  
Birmingham  
United Kingdom

# **NOBLE DESSERTS HOLDINGS LIMITED**

## **STRATEGIC REPORT**

The directors present their strategic report for the 52 week period ended 28 September 2018.

### **PRINCIPAL ACTIVITY**

The principal activity of the Group in the year under review was that of the manufacture and marketing of chilled desserts.

### **REVIEW OF THE BUSINESS**

The Group made a loss for the year of £275k (2017: profit £3,834k) on turnover of £42,722k (2017: £40,841k). At the balance sheet date, the Group had net assets of £26,540k (2017: £22,569k). The Group opened a state of the art production facility during 2018 and the board feel the group is well placed to deliver healthy growth going forward.

### **KEY PERFORMANCE INDICATOR (KPI)**

The directors consider operating profit to be the core KPI of the business.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties facing the Company are as follows:

- General competitive pressure in the market place; and
- Control over food safety.

### **FUTURE DEVELOPMENTS**

The directors expect the general level of activity to increase in the forthcoming period following the opening of new production facilities. The directors' focus will be to improve margin and grow profit whilst ensuring the cost base continues to remain appropriate for the business.

The directors are actively monitoring the impact that Brexit may have upon the Company. However given the Company is predominantly UK based with a well-established workforce, the directors don't believe there will be significant supply chain, workforce or other issues for the company as a consequence of Brexit

On behalf of the Board



D Burnett  
Director

Date 25/01/2019

# **NOBLE DESSERTS HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

The directors present their audited annual report on the affairs of the Group, together with the financial statements and auditor's report for the 52 week period ended 28 September 2018.

### **BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

A review of the group and future developments is included in the strategic report on page 2.

### **GOING CONCERN**

As disclosed on page 16 of the financial statements, the directors consider the company to be a going concern.

### **DIVIDENDS**

No dividends (2017: nil) were paid during the year nor proposed in respect of the year.

### **DIRECTORS**

The directors who served during the year, unless otherwise stated, and subsequently were:

D Burnett  
J Gildersleeve

### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's activities expose it to a number of financial risks including cash flow risk, credit risk and liquidity risk.

#### *Cash flow risk*

The Group's activities expose it to the risk of changes in the Euro exchange rate and it has consequently entered into forward contracts in order to manage exposure to exchange rate fluctuations.

#### *Credit risk*

The Group's principal financial assets are bank balances and trade debtors.

The Group's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The Group continuously monitors its exposure to credit risk and has minimal levels of doubtful debts.

The credit risk associated with cash at bank is limited because the counterparties are banks with high credit ratings.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group has external finance as part of a Group arrangement and consequently the Group has intercompany borrowings.

# **NOBLE DESSERTS HOLDINGS LIMITED**

## **DIRECTORS' REPORT (continued)**

### **DISABLED EMPLOYEES**

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### **EMPLOYEE CONSULTATION**

The Group places value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings and the Group magazine.

### **AUDITOR**

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:



D Burnett  
Director

Date: 25/01/2019

# **NOBLE DESSERTS HOLDINGS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOBLE DESSERTS HOLDINGS LIMITED**

## **Report on audit of the financial statements**

### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and parent company's affairs as at 28 September 2018 and of the group's loss for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Noble Desserts Holdings Limited (the 'parent company') and its subsidiaries (the 'group') which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of changes in equity;
- the consolidated and parent company balance sheets;
- the consolidated and parent company cash flow statements; and
- the related notes 1 to 25.

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".

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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 year of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOBLE DESSERTS HOLDINGS LIMITED (continued)**

### **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 auditor's 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 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 respect of these matters.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOBLE DESSERTS HOLDINGS LIMITED (continued)**

### **Report on other legal and regulatory requirements**

#### **Opinions 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 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.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report and the directors' report.

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

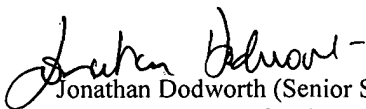
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

#### **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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Dodworth (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Birmingham  
United Kingdom

25 January 2019

# NOBLE DESSERTS HOLDINGS LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Note	52 weeks ended 28 September 2018 £'000	52 weeks ended 29 September 2017 £'000
<b>TURNOVER</b>	3	42,722	40,841
Cost of sales		(28,875)	(27,246)
<b>GROSS PROFIT</b>		13,847	13,595
Sales and distribution expenses		(4,705)	(4,081)
Administrative expenses		(8,339)	(4,326)
<b>OPERATING PROFIT</b>	4	803	5,188
Interest receivable and similar income	6	122	315
Interest payable and similar charges	6	(837)	(482)
<b>PROFIT BEFORE TAXATION</b>		88	5,021
Taxation of profit	7	(363)	(1,187)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(275)	3,834

All activities are derived from continuing operations.

# **NOBLE DESSERTS HOLDINGS LIMITED**

## **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>52 weeks ended 28 September 2018 £'000</b>	<b>52 weeks ended 29 September 2017 £'000</b>
<b>(Loss)/Profit for the financial period</b>	<b>(275)</b>	<b>3,834</b>
Foreign exchange movements	27	44
Gains on revaluation of tangible fixed assets net of deferred tax	4,219	-
<b>Total comprehensive income relating to the period</b>	<b>3,971</b>	<b>3,878</b>

# NOBLE DESSERTS HOLDINGS LIMITED

## STATEMENTS OF CHANGES IN EQUITY

Group	Note	Called up share capital £'000	Reval- uation reserve £'000	Profit and loss account £'000	Total £'000
<b>At 1 October 2016</b>		20,000	-	(1,313)	18,687
Profit for the financial period		-	-	3,834	3,834
Foreign exchange movements		-	-	44	44
<b>Total comprehensive income</b>		-	-	3,878	3,878
Issue of share capital	17	4	-	-	4
<b>At 29 September 2017</b>		20,004	-	2,565	22,569
Loss for the financial period		-	-	(275)	(275)
Foreign exchange movements		-	-	27	27
Gains on revaluation of tangible fixed assets net of deferred tax		-	4,219	-	4,219
<b>Total comprehensive income/(loss)</b>		-	4,219	(248)	3,971
<b>At 28 September 2018</b>		20,004	4,219	2,317	26,540

Company	Note	Called up share capital £'000	Reval- uation reserve £'000	Profit and loss account £'000	Total £'000
<b>At 1 October 2016</b>		20,000	-	(1,573)	18,427
Profit for the financial period		-	-	3,632	3,632
<b>Total comprehensive income</b>		-	-	3,632	3,632
Issue of share capital	17	4	-	-	4
<b>At 29 September 2017</b>		20,004	-	2,059	22,063
Loss for the financial period		-	-	(282)	(282)
Gains on revaluation of tangible fixed assets net of deferred tax		-	4,219	-	4,219
<b>Total comprehensive income/(loss)</b>		-	4,219	(282)	3,937
<b>At 28 September 2018</b>		20,004	4,219	1,777	26,000

# NOBLE DESSERTS HOLDINGS LIMITED

## CONSOLIDATED BALANCE SHEET

	Note	28 September 2018 £'000	29 September 2017 £'000
<b>FIXED ASSETS</b>			
Goodwill	9	16,735	18,211
Tangible fixed assets	10	37,335	25,798
		<u>54,070</u>	<u>44,009</u>
<b>CURRENT ASSETS</b>			
Stock	12	4,280	6,181
Debtors	13	5,586	7,771
Cash at bank and in hand		3,179	184
		<u>13,045</u>	<u>14,136</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	14	<u>(38,332)</u>	<u>(34,563)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(25,287)</u>	<u>(20,427)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		28,783	23,582
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	15	(5)	(317)
<b>PROVISION FOR LIABILITIES</b>	16	<u>(2,238)</u>	<u>(696)</u>
<b>NET ASSETS</b>		<u>26,540</u>	<u>22,569</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	20,004	20,004
Revaluation reserve		4,219	-
Profit and loss account		2,317	2,565
<b>SHAREHOLDERS' FUNDS</b>		<u>26,540</u>	<u>22,569</u>

These financial statements of Noble Desserts Holdings Limited, registered number 7104090, were approved by the Board of Directors and authorised for issue on **25 JANUARY 2019**.

Signed on behalf of the Board of Directors



D Burnett

Director

# NOBLE DESSERTS HOLDINGS LIMITED

## COMPANY BALANCE SHEET

	Note	28 September 2018 £'000	29 September 2017 £'000
<b>FIXED ASSETS</b>			
Goodwill	9	16,735	18,211
Tangible fixed assets	10	37,329	25,790
		<u>54,064</u>	<u>44,001</u>
<b>CURRENT ASSETS</b>			
Stock	12	4,280	6,181
Debtors	13	5,526	7,680
Cash at bank and in hand		3,159	163
		<u>12,965</u>	<u>14,024</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	14	<u>(38,786)</u>	<u>(34,949)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(25,821)</u>	<u>(20,925)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>28,243</u>	<u>23,076</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	15	(5)	(317)
<b>PROVISIONS FOR LIABILITIES</b>	16	<u>(2,238)</u>	<u>(696)</u>
<b>NET ASSETS</b>		<u><u>26,000</u></u>	<u><u>22,063</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	20,004	20,004
Revaluation reserve		4,219	-
Profit and loss account		1,777	2,059
<b>SHAREHOLDERS' FUNDS</b>		<u><u>26,000</u></u>	<u><u>22,063</u></u>

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's loss after tax for the period amounted to £282,000 (2017: profit £3,632,000).

These financial statements of Noble Desserts Holdings Limited, registered number 7104090, were approved by the Board of Directors and authorised for issue on **25 JANUARY 2019**.

Signed on behalf of the Board of Directors



D Burnett

Director

# NOBLE DESSERTS HOLDINGS LIMITED

## CONSOLIDATED CASHFLOW STATEMENT

	Note	52 weeks 2018 £'000	52 weeks 2017 £'000
Net cash inflow from operating activities	25	6,784	3,660
<b>Cash flows from investing activities</b>			
Payments to acquire tangible fixed assets		(7,969)	(15,119)
<b>Net cash flows used in investing activities</b>		(7,969)	(15,119)
<b>Cash flows from financing activities</b>			
Interest paid		(13)	(5)
Proceeds from loans received from fellow group undertakings		4,505	10,053
Repayment of borrowings		(312)	-
Proceeds from borrowings		-	317
Share capital issued		-	4
<b>Net cash flows from financing activities</b>		4,180	10,369
<b>Net increase/(decrease) in cash</b>		2,995	(1,090)
<b>Cash at beginning of period</b>		184	1,274
<b>Cash at end of period</b>		3,179	184

There were no cash equivalents at either period end.



# NOBLE DESSERTS HOLDINGS LIMITED

## COMPANY CASHFLOW STATEMENT

	Note	52 weeks 2018 £'000	52 weeks 2017 £'000
<b>Net cash inflow from operating activities</b>	25	6,688	3,634
<b>Cash flows from investing activities</b>			
Payments to acquire tangible fixed assets		(7,969)	(15,114)
<b>Net cash flows used in investing activities</b>		(7,969)	(15,114)
<b>Cash flows from financing activities</b>			
Interest paid		(14)	(5)
Proceeds from loans received from fellow group undertakings		4,603	10,127
Repayment of borrowings		(312)	-
Proceeds from borrowings		-	317
Share capital issued		-	4
<b>Net cash flows from financing activities</b>		4,277	10,443
<b>Net increase/(decrease) in cash</b>		2,996	(1,037)
<b>Cash at beginning of period</b>		163	1,200
<b>Cash at end of period</b>		3,159	163

There were no cash equivalents at either period end.

# **NOBLE DESSERTS HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**52 week period ended 28 September 2018**

### **1. ACCOUNTING POLICIES**

Noble Desserts Holdings Limited is a company incorporated in the United Kingdom under the Companies Act. The Company is a private company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The financial year represents the 52 weeks ended 28 September 2018 (prior financial year 52 weeks ended 29 September 2017). The Company has taken advantage of s390 of the Companies Act 2006 to prepare accounts for a financial period ended 28 September 2018, being within seven days of the accounting reference date.

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The following dormant subsidiaries of the Company have taken advantage of the Companies Act 2006 s394A exemption from preparing individual accounts. These subsidiaries are exempt from the requirement to prepare individual accounts by virtue of this section:

Rensow Limited (04656292)

Rensow Patisserie Limited (02575183)

Gü Limited (04700952)

The functional currency of the company is pounds sterling because that is the currency of the primary economic environment in which the company operates.

#### **Going concern**

The company made a loss during the year and has net current liabilities at the balance sheet date. After making due enquiries, the Board, is confident that the company has adequate resources to continue in operational existence for the foreseeable future (being at least for the next twelve months from the approval of the financial statements) and for this reason, the going concern basis has been adopted in preparing the financial statements. In reaching this conclusion the Board has considered the financial position of the company and the wider group, a parent company letter of support provided, and its funding facilities which are committed to 2020.

#### **Basis of consolidation**

The group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to the balance sheet date each year. The results of subsidiaries acquired or sold are consolidated for the years from or to the date on which control passed. Acquisitions are accounted for under the acquisition method. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations affected prior to the date of transition.

#### **Goodwill**

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 20 years. Impairment reviews are performed annually by assessing expected future cash flows of the company and applying an appropriate discount rate to these expected cash flows. Provision is made for any impairment.

#### **Investments**

Fixed asset investments are shown at cost less provision for impairment.

# NOBLE DESSERTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) 52 week period ended 28 September 2018

### 1. ACCOUNTING POLICIES (Continued)

#### Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Freehold land is not depreciated. Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives. The freehold land and buildings were professionally revalued by Bidwells property consultants on an existing use basis in September 2018. Individual freehold properties are revalued with sufficient regularity to ensure that their carrying amount doesn't differ materially from that which would be determined using fair value at the end of the reporting period. Any surplus or deficit on book value arising from a full valuation is transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus. Assets in the course of construction are not depreciated until they are brought into use.

The rates of depreciation are as follows:

Freehold land and buildings	2-10% per annum
Plant and machinery, fixtures and fittings	5-25% per annum

#### Leased assets

Operating lease rentals are charged to income in equal annual amounts over the lease term.

#### Stocks

Stocks are stated at the lower of cost and estimated net realisable value. Cost of raw materials is determined on a FIFO basis. Finished goods are valued using standard costing, comprising materials, direct labour and attributable production overheads. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

#### Taxation

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

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**52 week period ended 28 September 2018**

**1. ACCOUNTING POLICIES (Continued)**

**Taxation (continued)**

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if the Group has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**Turnover**

Turnover solely represents amounts derived from the provision of goods and services which fall within the Group's ordinary activities after deduction of trade discounts and value added tax, and is recognised on despatch of goods. The Directors consider the group has one class of business which serves different geographical segments.

**Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity.

**Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

*Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value, unless the arrangement constitutes a financing transaction. If the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments that have no stated interest rate (and do not constitute a financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount for the cash or other consideration expected to be received, net of impairment.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Group transfers to another party substantially all the risks and rewards of ownership of the financial asset, or (c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

*Derivative financial instruments*

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk. The Group does not hold or issue derivative financial instruments for speculative purposes.

# NOBLE DESSERTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) 52 week period ended 28 September 2018

### 1. ACCOUNTING POLICIES (Continued)

#### Financial instruments (continued)

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

#### Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

#### Pensions

The Company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year which they are payable.

### 2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires the directors to make judgements, estimates and assumptions about the carrying value of assets and liabilities. The nature of estimation means that actual outcomes may differ from these estimates.

The judgements that have the most significant effect on the amounts recognised as assets and liabilities are as follows:

#### Taxation

There are tax transactions and calculations for which judgements have to be made and the ultimate tax determination is uncertain. The Group recognises liabilities for taxation based on estimates of whether taxation will be due. Where the final outcome of these matters is different from the amount recognised, such differences will have an impact on the financial statements in the period such determination is made.

The sources of estimation uncertainty that have the most significant effect on the amounts recognised as assets and liabilities are as follows:

#### Carrying value of land and buildings

Land and buildings are carried at valuation. A professional firm of chartered surveyors undertakes these valuations on an open market basis (see note 10) on a regular basis. Such valuations require estimates to be made based on current market conditions, and any changes to such conditions will impact the carrying value of land and buildings. Management review the carrying value of land and buildings at each balance sheet date to ensure it continues to materially represent fair value.

#### Carrying value of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which the goodwill has been allocated. The value in use calculation requires estimates to be made of the future cash flows expected to arise and a suitable discount rate in order to calculate the present value.

### 3. TURNOVER

Geographic segments (turnover by destination):	2018 £'000	2017 £'000
United Kingdom	31,235	26,526
Rest of Europe	11,487	13,019
Rest of the World	-	1,296
	<u>42,722</u>	<u>40,841</u>

# NOBLE DESSERTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) 52 week period ended 28 September 2018

### 4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):	2018 £'000	2017 £'000
Depreciation		
- owned assets	967	591
Loss on disposal of tangible fixed assets	535	-
Rentals under operating leases		
- hire of plant and machinery	60	-
- other operating leases	327	392
Amortisation of goodwill	1,476	1,476
Auditor's remuneration		
- For the audit of the company's financial statements	35	20
- Tax services provided by auditor	82	15
Foreign exchange differences	(203)	(248)
	<u>          </u>	<u>          </u>

### 5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

#### Group

Average number of persons employed:	2018 Number	2017 Number
Production	154	125
Sales and distribution	6	4
Administration	79	81
	<u>239</u>	<u>210</u>

#### Employee costs during the period:

	£'000	£'000
Wages and salaries	8,508	6,328
Social security costs	916	698
Pension costs	150	106
	<u>9,574</u>	<u>7,132</u>

	2018 £'000	2017 £'000
Directors' emoluments	<u>-</u>	<u>-</u>

The directors of the company are remunerated through Noble Foods Limited. The directors received no remuneration for their services to the group and it is not practicable to split the costs of services between those provided to Noble Desserts Holdings Limited and those provided to other companies within the wider group.

# NOBLE DESSERTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) 52 week period ended 28 September 2018

### 6. INTEREST

	2018 £'000	2017 £'000
a) <b>Interest receivable and similar income</b>		
Derivative financial instruments	122	315
	<u>122</u>	<u>315</u>
b) <b>Interest payable and similar charges</b>		
Interest on group loans	824	477
Interest payable on invoice discounting	13	5
	<u>837</u>	<u>482</u>

### 7. TAXATION

#### a) Tax on profit

	2018 £'000	2017 £'000
<b>Current tax:</b>		
UK corporation tax charge	13	963
Adjustment in respect of previous periods	(348)	(480)
	<u>(335)</u>	<u>483</u>
Foreign tax	20	8
	<u>(315)</u>	<u>491</u>
<b>Total current tax</b>		
	<u>(315)</u>	<u>491</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	540	390
Adjustments in respect of previous periods	138	306
	<u>678</u>	<u>696</u>
<b>Total deferred tax</b>		
	<u>678</u>	<u>696</u>
<b>Total tax charge for the current period</b>	<u>363</u>	<u>1,187</u>

# NOBLE DESSERTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) 52 week period ended 28 September 2018

### 7. TAXATION (continued)

#### b) Factors affecting the tax charge for the period

The tax charged for the period differs from the standard rate of 19% (2017: 19.5%) corporation tax in the UK. The differences are explained below:

	2018 £'000	2017 £'000
Profit before taxation	88	5,021
Tax on profit at standard rate in the UK 19% (2017: 19.5%)	17	979
Effects of:		
Expenses not deducted for tax purposes	289	374
Adjustment in respect of previous periods	(210)	(174)
Group relief	247	-
Overseas taxes	20	8
<b>Total tax charge for the period</b>	<b>363</b>	<b>1,187</b>

#### c) Change in tax rates

As part of the Finance Bill 2016, the Government stated its intention to reduce the main corporation tax rate to 17% effective 1 April 2020. As these tax rates were substantively enacted at the balance sheet date, the relevant rate reductions have been reflected in the calculation of deferred tax.

### 8. RESULT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's loss after tax for the financial period amounted to £282,000 (2017: profit £3,632,000).

### 9. GOODWILL

	£'000
<b>Group and Company</b>	
<b>Cost</b>	
At 30 September 2017 and at 28 September 2018	28,551
<b>Amortisation</b>	
At 30 September 2017	10,340
Charge for the period	1,476
At 28 September 2018	11,816
<b>Net book value</b>	
At 28 September 2018	16,735
At 29 September 2017	18,211



# NOBLE DESSERTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) 52 week period ended 28 September 2018

### 10. TANGIBLE FIXED ASSETS

Group	Freehold Land and buildings £'000	Plant and machinery £'000	Total £'000
<b>Cost</b>			
At 30 September 2017	13,203	17,632	30,835
Additions	30	7,926	7,956
Reclassification	(2,810)	2,810	-
Revaluation	5,083	-	5,083
Disposals	(2)	(1,955)	(1,957)
	<hr/>	<hr/>	<hr/>
At 28 September 2018	15,504	26,413	41,917
	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation</b>			
At 30 September 2017	2	5,035	5,037
Charge for the period	58	909	967
Disposals	(2)	(1,420)	(1,422)
	<hr/>	<hr/>	<hr/>
At 28 September 2018	58	4,524	4,582
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 28 September 2018	15,446	21,889	37,335
	<hr/>	<hr/>	<hr/>
At 29 September 2017	13,201	12,597	25,798
	<hr/>	<hr/>	<hr/>

Tangible fixed assets include assets in the course of construction with a net book value of £nil (2017: £23,736k).

Included in the total for land and buildings is an amount of £4,590k (2017: £1,179k) relating to land that is not being depreciated.

Land and buildings were independently valued by Bidwells Property Consultants, a professional firm of chartered surveyors, on an open market basis in September 2018. Subsequent additions have been recorded at cost. The comparative method of valuation was used as far as possible in arriving at property values, with the main assumption being what constitutes appropriate comparable property.

# NOBLE DESSERTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) 52 week period ended 28 September 2018

### 10. TANGIBLE FIXED ASSETS (Continued)

Company	Freehold Land and buildings £'000	Plant and machinery £'000	Total £'000
<b>Cost</b>			
At 30 September 2017	13,203	17,601	30,804
Additions	30	7,926	7,956
Reclassification	(2,810)	2,810	-
Revaluation	5,083	-	5,083
Disposals	(2)	(1,955)	(1,957)
At 28 September 2018	15,504	26,382	41,886
<b>Accumulated depreciation</b>			
At 30 September 2017	2	5,012	5,014
Charge for the period	58	907	965
Disposals	(2)	(1,420)	(1,422)
At 28 September 2018	58	4,499	4,557
<b>Net book value</b>			
At 28 September 2018	15,446	21,883	37,329
At 29 September 2017	13,201	12,589	25,790

Tangible fixed assets include assets in the course of construction with a net book value of £nil (2017: £23,736k).

### 11. FIXED ASSET INVESTMENTS

The group's principal subsidiaries are listed below:

Company	Principal activity	Country of incorporation
Rensow Limited	Dormant	United Kingdom
Rensow Patisserie Limited	Dormant	United Kingdom
Noble Desserts France SARL	Marketing of chilled desserts	France
Gü Limited	Dormant	United Kingdom
Gü Desserts Inc	Marketing of chilled desserts	USA

The company owns 100% of the ordinary share capital of voting rights of all the companies above. The total carrying value of investments is £101 (2017: £101).

The registered address of Rensow Limited, Rensow Patisserie Limited and Gü Limited is Cotswold Farm, Standlake, Witney, Oxfordshire, England, OX29 7RB.

The registered address of Noble Desserts France SARL is 68 rue Lafayette, 75009, Paris, France.

The registered address of Gü Desserts Inc is 71 McMurray Road, Suite 104, Pittsburgh, PA 15241, USA.

# NOBLE DESSERTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

52 week period ended 28 September 2018

### 12. STOCKS

	Group 2018 £'000	Company 2018 £'000	Group 2017 £'000	Company 2017 £'000
Finished goods	3,603	3,603	5,384	5,384
Raw materials and consumables	677	677	797	797
	<u>4,280</u>	<u>4,280</u>	<u>6,181</u>	<u>6,181</u>

The replacement cost of the above stocks would not be significantly different from the values stated.

### 13. DEBTORS

	Group 2018 £'000	Company 2018 £'000	Group 2017 £'000	Company 2017 £'000
<b>Amounts falling due within one year:</b>				
Trade debtors	4,874	4,874	6,812	6,812
VAT	371	327	564	492
Corporation tax	162	167	-	-
Other debtors	10	-	10	-
Prepayments and accrued income	169	158	385	376
	<u>5,586</u>	<u>5,526</u>	<u>7,771</u>	<u>7,680</u>

### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2018 £'000	Company 2018 £'000	Group 2017 £'000	Company 2017 £'000
Trade creditors	3,016	2,967	4,711	4,614
Amounts owed to companies with common ultimate parent	29,142	29,142	23,814	23,814
Amounts owed to group undertakings	-	671	-	572
Corporation tax	-	-	461	478
Other taxes and social security	117	-	67	-
Accruals	6,042	5,991	5,373	5,334
Derivative financial instruments (see note 20)	15	15	137	137
	<u>38,332</u>	<u>38,786</u>	<u>34,563</u>	<u>34,949</u>

Loans with companies with common ultimate parent are repayable on demand. Interest on these loans is charged at between 0% and LIBOR+2.5%.

# NOBLE DESSERTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) 52 week period ended 28 September 2018

### 15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2018 £'000	Company 2018 £'000	Group 2017 £'000	Company 2017 £'000
Other loans	5	5	317	317
<b>Analysis of other loan repayments:</b>				
Within one year	-	-	-	-
Between one and two years	5	5	317	317
Between two and five years	-	-	-	-
	5	5	317	317

### 16. PROVISION FOR LIABILITIES

Provision for liabilities is in respect of deferred taxation.

Group and Company	£'000
At 30 September 2017	696
Deferred tax charges to the profit and loss account	678
Deferred tax in respect of revaluation of tangible fixed assets	864
At 28 September 2018	2,238

The deferred tax balance consists of the following amounts:

	2018 £'000	2017 £'000
Difference between capital allowances and depreciation	1,374	696
Timing differences on revalued properties	864	-
	2,238	696

There is no unprovided deferred tax.

# NOBLE DESSERTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) 52 week period ended 28 September 2018

### 17. CALLED UP SHARE CAPITAL

	2018 £'000	2017 £'000
<b>Called up, allotted and fully paid</b>		
19,000,000 'A' ordinary shares of £1 each	-	-
1,000,000 'B' ordinary shares of £1 each	-	-
20,000,000 ordinary shares of £1 each	20,000	20,000
1,000 'A' shares of £1 each	1	1
2,000 'B' shares of £1 each	2	2
1,000 'C' shares of £1 each	-	1
1,000 deferred shares of £1 each	1	-
	<u>20,004</u>	<u>20,004</u>

During the prior period, the 'A' and 'B' £1 ordinary shares were combined into a single class of £1 ordinary shares. New 'A', 'B' and 'C' shares were also issued during the prior period at par. These shares hold no voting rights nor rights to participate in ordinary dividends.

During the current period the 'C' shares were reclassified as deferred shares.

No dividend was approved or paid during the period.

### 18. FINANCIAL COMMITMENTS

At the period end, the total future minimum lease payments under non-cancellable operating leases are as follow:

	2018 Land & buildings £'000	2018 Other £'000	2017 Land & buildings £'000	2017 Other £'000
Leases which expire:				
Within one year	169	91	205	83
Between one and five years	184	227	189	249
After more than five years	69	-	65	29
	<u>422</u>	<u>318</u>	<u>459</u>	<u>361</u>

### 19. CAPITAL COMMITMENTS

At the period end the company had the following capital commitments:

	2018 £'000	2017 £'000
Contracted but not provided	<u>-</u>	<u>1,166</u>

# NOBLE DESSERTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) 52 week period ended 28 September 2018

### 20. FINANCIAL INSTRUMENTS

#### Group

	2018 £'000	2017 £'000
<b>Financial assets</b>		
Measured at undiscounted amount receivable		
Trade and other debtors	4,884	6,822
	<u>4,884</u>	<u>6,822</u>
<b>Financial liabilities</b>		
Measured at fair value through profit or loss		
Derivative financial liabilities	15	137
Measured at undiscounted amount payable		
Trade and other creditors	38,200	33,898
Measured at amortised cost		
Loans payable	5	317
	<u>38,220</u>	<u>34,352</u>

# NOBLE DESSERTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) 52 week period ended 28 September 2018

### 20. FINANCIAL INSTRUMENTS (Continued)

#### Company

	2018 £'000	2017 £'000
<b>Financial assets</b>		
Measured at undiscounted amount receivable		
Trade and other debtors	4,874	6,812
	<u>4,874</u>	<u>6,812</u>
<b>Financial liabilities</b>		
Measured at fair value through profit or loss		
Derivative financial liabilities	15	137
Measured at undiscounted amount payable		
Trade and other creditors	38,771	34,334
Measured at amortised cost		
Loans payable	5	317
	<u>38,791</u>	<u>34,788</u>

The fair value of derivative financial assets and liabilities are based on market value price quotations at the reporting date. The gain on derivative financial instruments recognised in the profit and loss account during the period was £122,000 (2017: £315,000 gain).

Derivatives are comprised of financial currency contracts with monthly settlement dates up to March 2019.

### 21. KEY MANAGEMENT REMUNERATION

The directors of the group are considered to constitute key management. Details of their remuneration is disclosed in note 5.

### 22. ULTIMATE PARENT COMPANY AND CONTROLLING PARTIES

The immediate and ultimate holding company is Noble Foods Group Guernsey Limited, a company incorporated in Guernsey.

The voting share capital of Noble Foods Group Guernsey Limited is owned 50% by M R J Kent, 49% by Phase Investments and 1% by P D Dean and these are therefore considered as the ultimate controlling parties.

### 23. RELATED PARTY TRANSACTIONS

Transactions with other group undertakings within, and investee related parties of, Noble Desserts Holdings Limited have not been disclosed in these financial statements.

During the period the Group received funding from Noble Foods Group Limited of £9,453,809 (2017: £12,994,799). Noble Foods Group Limited has a common ultimate parent company and is an entity in which P D Dean and M R J Kent are the ultimate controlling parties.

### 24. COMMITMENTS

The company has guaranteed by way of a fixed and floating charge over its assets, the bank borrowings of its parent company and other group companies.

# NOBLE DESSERTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) 52 week period ended 28 September 2018

### 25. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOW

<b>Group</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Operating profit	803	5,188
Adjustments for;		
Depreciation and amortisation	2,443	2,067
Loss on disposal of fixed assets	535	-
<b>Working capital movements</b>		
Decrease/(Increase) in stocks	1,901	(1,510)
Decrease/(Increase) in debtors	2,347	(670)
Decrease in creditors	(937)	(208)
<b>Cash flow from operating activities</b>	<b>7,092</b>	<b>4,867</b>
Taxation paid	(308)	(1,207)
<b>Net cash inflow from operating activities</b>	<b>6,784</b>	<b>3,660</b>

<b>Company</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Operating profit	784	5,293
Adjustments for;		
Depreciation and amortisation	2,441	2,066
Loss on disposal of fixed assets	535	-
<b>Working capital movements</b>		
Decrease/(Increase) in stocks	1,901	(1,510)
Decrease/(Increase) in debtors	2,321	(487)
Decrease in creditors	(974)	(533)
<b>Cash flow from operating activities</b>	<b>7,008</b>	<b>4,829</b>
Taxation paid	(320)	(1,195)
<b>Net cash inflow from operating activities</b>	<b>6,688</b>	<b>3,634</b>