

**Bart Spices Group Holdings Limited**

**Annual Report and Consolidated Financial Statements  
for the year ended  
31 December 2019**

**Registered number 07225991**

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**Bart Spices Group Holdings Limited**  
**Annual Report and Consolidated Financial Statements**  
**31 December 2019**

**DIRECTORS AND ADVISERS**

**Directors** D J Collard  
J Herden

**Registered number** 07225991

**Registered office** York Road  
Bedminster  
Bristol  
BS3 4AD

**Independent auditors** Nexia Smith & Williamson  
Chartered Accountants & Statutory Auditors  
Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA

## STRATEGIC REPORT

The directors present the group strategic report for Bart Spices Group Holdings Limited and its subsidiary company for the year ended 31 December 2019.

### Principal activities

The Group's main trading subsidiary, The Bart Ingredients Co. Limited, is involved in the manufacture and sale of a wide range of savoury cooking ingredients that are sold to consumers under the "Bart" brand and retailer owned private labels.

### Business Review

The Bart Ingredients Co. Limited is involved in the manufacture and sale of a wide range of savoury cooking ingredients that are sold to consumers under the "Bart" brand and retailer owned private labels.

In the year to 31 December 2019 the Group's turnover decreased slightly compared to the previous 12 months. Sales volumes remained largely static, while the impact of renewing long-term contracts with retailers led to an overall reduction in pricing per unit. Operating profit reduced, in part due to the lower turnover, but also due to planned investment in the Group's senior management team to strengthen the Group's resources in preparation for future growth.

The Group ended the year in a stronger cash position than at 31 December 2018 and had no money borrowed on the Invoice Discounting Facility (IDF) (*at 31 December 2018: £6,000*).

### Principal Risks and Uncertainties

#### Financial risk

The Group funds its business model using a combination of operational cash flow generation, an invoice discounting facility, term loans under an agreement with its bank and lease finance.

Long-term cashflow forecasts are reviewed regularly by management to ensure that sufficient liquidity will be available to meet the needs of the business.

To manage credit risk, management reviews credit ratings for all new customers before payment terms and credit limits are agreed. Existing customers credit ratings are also regularly reviewed. Amounts owed outside of normal payment terms are reviewed frequently by management and followed up in a timely manner with customers.

#### Currency and commodity price fluctuations

The business is exposed to foreign exchange risk. To mitigate risk associated with foreign exchange, management use foreign currency contracts with financial institutions to hedge against movements in exchange rates. The fair value of such contracts in relation to the prevailing spot rate at 31 December 2019 is immaterial for disclosure in the financial statements.

Additionally, the business has exposure to commodity price fluctuations. This risk is mitigated by the use of long-term contracts with preferred suppliers ensuring that the Group can offer its key customers price stability in the short to medium term.

#### Brexit

If the UK does not agree a deal with the EU before the end of the transition period on 31 December 2020, there could potentially be delays in receiving raw materials and components. To mitigate this risk, the group will increase its stock holdings in the UK ahead of this date should this be a possibility.

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**STRATEGIC REPORT (continued)**

**Loss of key contracts and delistings**

This risk is mitigated by having strong, and in most cases contracted, trading relationships with its key customers, who are principally blue-chip UK grocery retailers, and ensuring no reliance exists on a single customer or product range.

**COVID-19**


The COVID-19 pandemic has not so far led to any reduction in profitability for the company, however it is a source of significant uncertainty and risk. These risks include supply chain issues caused by disruption in other countries or the failure of key suppliers, the possibility of an outbreak hitting the Group's manufacturing facilities and the failure of customers resulting in bad debts. The Group is mitigating these risks by increasing the use of dual suppliers, risk assessing and making changes to its processes and operations to ensure that employees can be socially distanced at work, and tightly controlling customer credit limits where there are indications of risk.

**Financial Key Performance Indicators**

The Group's overriding key performance indicator is EBITDA % (Earnings before interest, tax, depreciation and amortisation which is defined as operating profit plus depreciation and amortisation). Non-recurring expenses are captured within EBITDA. In the year to 31 December 2019 there were no significant non-recurring expenses. EBITDA % and other key performance indicators used by the business are shown below.

	<i>Year ended 31 December 2019 (12 months)</i>	<i>Period ended 31 December 2018 (9 months)</i>
Turnover £'000	30,187	23,213
Gross profit %	35.0%	35.9%
Operating Profit £'000	756	1,385
Add: Depreciation and amortisation £'000	<u>1,018</u>	<u>875</u>
EBITDA £'000	<u>1,774</u>	<u>2,260</u>
EBITDA %	5.9%	9.7%

**Approved by the board of directors  
and signed on behalf of the board**

  
David Collard (Jul 22, 2020 08:45 GMT+1)

**DJ Collard**  
**Director**

Date: Jul 22, 2020

## DIRECTORS' REPORT

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

### Results for the year and dividends

The profit for the year after taxation was £499,000 (31 Dec 2018: £955,000). The directors have not recommended any final dividend (31 Dec 2018: £nil).

### Directors

The directors of the company who served during the year are:

DJ Collard  
J Herden

The Company has maintained throughout the year Directors' and officers' liability insurance for the benefit of the Company, the Directors and its officers. The Company has entered into qualifying third-party indemnity arrangements for the benefit of all its Directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

### Future developments

For the coming financial year, Management's strategic focus will remain on growing the brand, strengthening the Group's partnerships with those UK grocery retailers where it provides a strategic retailer-owned private label product offering and growing the contract manufacturing business with selected customers on a long-term contract basis. Operationally the focus will be on increasing the Group's production capacity to allow for further growth. Management believes the above strategy will in the medium to longer term allow the Group to generate further profitable growth, increase cash generation and enhance shareholder value.

### Disclosure of information to the auditors

In the case of each person who was a director at the time this report was approved:


- so far as that director was aware there was no relevant audit information of which the company and group's auditor was unaware; and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company and group's auditor was aware of that information.

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

### Auditors

A resolution to re-appoint the auditor, Nexia Smith & Williamson, will be proposed at the next Annual General Meeting.

Approved by the board of directors and signed on behalf of the board

  
David Collard (Jul 22, 2020 08:45 GMT+1)

DJ Collard  
Director

Date: Jul 22, 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 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 group and of the profit or loss of the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BART SPICES GROUP HOLDINGS LIMITED

### Opinion

We have audited the financial statements of Bart Spices Group Holdings Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 31 December 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Emphasis of matter - impact of COVID-19

We draw attention to note 1.2 of the financial statements, which describes the impact of COVID-19 on the company. Our opinion is not modified in respect of this matter.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The other information comprises the information included in the Annual Report and Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BART SPICES GROUP HOLDINGS LIMITED  
(continued)**

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

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

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent company and their 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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


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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [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 MEMBER OF BART SPICES GROUP HOLDINGS LIMITED  
(continued)**

**Use of our report**

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

  
Nexia Smith & Williamson (Jul 23, 2020 17:32 GMT+1)

**Fiona Westwood**

for and on behalf of  
**Nexia Smith & Williamson**

Statutory Auditors

Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA

Date: 07/23/20

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Year ended 31 Dec 2019 £'000	Period ended 31 Dec 2018 £'000
Turnover	3	30,187	23,213
Cost of sales		(19,624)	(14,887)
<b>Gross profit</b>		<b>10,563</b>	<b>8,326</b>
Administrative expenses		(9,807)	(6,941)
<b>Operating profit</b>	4	<b>756</b>	<b>1,385</b>
Interest payable and similar expenses	8	(59)	(110)
Interest receivable		3	-
<b>Profit before taxation</b>		<b>700</b>	<b>1,275</b>
Taxation	9	(201)	(320)
<b>Profit for the financial period</b>		<b>499</b>	<b>955</b>
<b>Total comprehensive income for the period</b>		<b>499</b>	<b>955</b>


There is no other income or losses other than that disclosed above.

The notes on pages 17 to 35 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2019**  
Company registered number: 07225991

	Note	31 Dec 2019 £'000	31 Dec 2018 £'000
<b>Fixed assets</b>			
Goodwill	11	4,170	4,608
Intangible assets	11	144	250
Tangible assets	10	2,744	2,449
		<u>7,058</u>	<u>7,307</u>
<b>Current assets</b>			
Stocks	13	4,549	4,782
Debtors: amounts due after one year		83	-
Debtors: amounts due within one year	14	4,787	4,370
Cash at bank and in hand	15	1,427	998
		<u>10,846</u>	<u>10,150</u>
<b>Creditors: amounts falling due within one year</b>	16	(6,008)	(5,553)
		<u>4,838</u>	<u>4,597</u>
<b>Net current assets</b>		<u>11,896</u>	<u>11,904</u>
<b>Total assets less current liabilities</b>		<u>11,896</u>	<u>11,904</u>
<b>Creditors: amounts falling due after more than one year</b>	17	-	(580)
<b>Provisions for liabilities</b>			
Deferred tax	19	(206)	(133)
<b>Net assets</b>		<u>11,690</u>	<u>11,191</u>
<b>Capital and reserves</b>			
Called up share capital	20	120	120
Share premium account		9,367	9,367
Capital contribution reserve	21	5,613	5,613
Profit and loss account		(3,410)	(3,909)
		<u>11,690</u>	<u>11,191</u>

The financial statements were approved by the board of directors and were signed on its behalf by:

  
David Collard (Jul 22, 2020 08:45 GMT+1)

**DJ Collard**  
Director  
Date: Jul 22, 2020

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £'000	Restated Share premium account £'000	Restated Capital contribution reserve £'000	Profit & loss account £'000	Total equity £'000
Balance at 1 April 2018	120	9,367	7,262	(12,126)	4,623
Profit for the period	-	-	-	955	955
Realisation on group restructuring	-	-	(7,262)	7,262	7,262
Capital contribution	-	-	5,613	-	5,613
<b>Balance at 31 December 2018</b>	<b>120</b>	<b>9,367</b>	<b>5,613</b>	<b>(3,909)</b>	<b>11,191</b>

	Called up share capital £'000	Share premium account £'000	Capital contribution reserve £'000	Profit & loss account £'000	Total equity £'000
Balance at 1 January 2019	120	9,367	5,613	(3,909)	11,191
Profit for the year	-	-	-	499	499
<b>Balance at 31 December 2019</b>	<b>120</b>	<b>9,367</b>	<b>5,613</b>	<b>(3,410)</b>	<b>11,690</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	31 Dec 2019 £'000	31 Dec 2018 £'000
<b>Cash flows from operating activities</b>			
Profit for the year/period		499	955
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment		1,018	875
Interest payable and similar charges		59	110
Loss on disposal of tangible and intangible fixed assets		78	-
Taxation charge		201	320
		<hr/> 1,855	<hr/> 2,260
(Increase) / decrease in debtors		(500)	253
Decrease/(increase) in stocks		233	(676)
Increase in creditors		181	631
		<hr/> 1,769	<hr/> 2,468
Tax paid		(273)	(447)
		<hr/> 1,496	<hr/> 2,021
<b>Cash flows from investing activities</b>			
Proceeds from sale of tangible fixed assets		-	23
Acquisition of tangible and intangible fixed assets		(847)	(289)
		<hr/> (847)	<hr/> (266)
<b>Cash flows from financing activities</b>			
Interest paid		(59)	(110)
Repayment of bank loans		(112)	(215)
Payment of finance lease liabilities		(49)	(39)
		<hr/> (220)	<hr/> (364)
Net increase in cash and cash equivalents		429	1,391
Cash and cash equivalents at beginning of period		998	(393)
<b>Cash and cash equivalents at end of period</b>		<hr/> 1,427	<hr/> 998

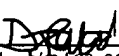
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**COMPANY BALANCE SHEET AS AT 31 DECEMBER 2019**

	Note	31 Dec 2019 £'000	31 Dec 2018 £'000
<b>Fixed assets</b>			
Investments	12	19,909	21,154
		<hr/>	<hr/>
<b>Net assets</b>		19,909	21,154
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	20	120	120
Share premium account		9,367	9,367
Profit and loss account		10,422	11,667
		<hr/>	<hr/>
		19,909	21,154
		<hr/>	<hr/>

The company's loss for the year ended 31 December 2019 was £1,245,000 (period ended 31 December 2018: profit of £2,230,000).

The financial statements were approved by the board of directors and were signed on its behalf by:

  
David Collard (Jul 22, 2020 08:45 GMT+1)

**DJ Collard**  
Director

Date: Jul 22, 2020

Registered number 07225991

**COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £'000	Share premium account £'000	Profit & loss account £'000	Total equity £'000
<b>Balance at 1 April 2018</b>	120	9,367	9,437	18,924
Profit for the period	-	-	2,230	2,230
<b>Balance at 31 December 2018</b>	120	9,367	11,667	21,154
	Called up share capital £'000	Share premium account £'000	Profit & loss account £'000	Total equity £'000
<b>Balance at 1 January 2019</b>	120	9,367	11,667	21,154
Profit for the year	-	-	(1,245)	(1,245)
<b>Balance at 31 December 2019</b>	120	9,367	10,422	19,909



## **1 Accounting policies**

The principal accounting policies are summarised below.

### **1.1 Basis of preparation**

Bart Spices Group Holdings Limited is a private limited company, limited by shares, incorporated and domiciled in England in the UK. The address of the registered office is York Road, Bedminster, Bristol, England, BS3 4AD.

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”.

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

#### **Exemptions under the reduced disclosure framework**

The parent company has taken advantage of the following exemptions available under FRS 102:

- the exemption from preparing a statement of cash flows

### **1.2 Going concern**

The directors have considered the future performance of the group and the company and believe that the group has adequate resources to continue operational existence for the foreseeable future. Accordingly, the directors have prepared the financial statements on the going concern basis.

#### **Impact of COVID-19**

The Group’s trading performance in 2020 at the time of signing had shown an improvement on the prior year due to significantly increased sales to UK grocery retailers as a result of the COVID-19 pandemic. The Group has produced forecasts and projections for 2020 and 2021 taking account of a range of possible impacts of the pandemic, which show that it is unlikely that the overall impact on the Group will be adverse, as the Group has no material exposure to any sector other than food and drink retail.

### **1.3 Basis of consolidation**

The group financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiary) prepared to 31 December each year. Control is achieved where the company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

All intra-group transactions and balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

The Company has taken advantage of the exemption under section 408 of the Companies Act 2006 from publishing its individual income statement, statement of other comprehensive income and related notes.

### **1.4 Business combinations and goodwill**

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group.

The cost of a business combination is the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the group in exchange for control and the costs directly attributable to the business combination. The consideration transferred includes the estimate of any asset or liability resulting from a contingent consideration arrangement where the transfer of further

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consideration is probable and can be measured reliably. Identifiable assets acquired, and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date. Contingent liabilities are only recognised where the fair value can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

**1 Accounting policies (continued)**

**1.5 Business combinations and goodwill (continued)**

The group measures goodwill at the acquisition date as the excess of the cost of the business combination over the acquirer's interest in the net amount of the identifiable assets, liabilities and contingent liabilities recognised. Subsequently goodwill is amortised on a straight-line basis over its useful life of 10 years.

When the excess is negative, the negative goodwill arising is recognised separately on the face of the balance sheet and released up to the fair value of the non-monetary assets as the non-monetary assets are recovered and otherwise in the periods expected to be benefited.

**1.6 Revenue recognition**

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.

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.

**1.7 Foreign currency**

Transactions in foreign currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Exchange gains and losses on short-term foreign currency borrowings and deposits are included within net interest payable. Exchange differences on all other transactions are taken to operating profit.

**1.8 Taxation**

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

The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences between taxable profits and total comprehensive income 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.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

**1.8 Taxation (continued)**

Deferred tax liabilities are recognised for timing differences arising on investments into the subsidiary, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle on a net basis.

**1.9 Tangible 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.

Buildings	-	50 years
Plant and equipment	-	4-10 years
Motor vehicles	-	4 years

The company assesses at each reporting date whether tangible fixed assets are impaired. Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date.

**1.10 Intangible assets**

*Goodwill*

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

*Other intangible assets*

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

The cost of intangible assets acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date. Other intangible assets that are acquired by the company are stated at cost less any accumulated amortisation and accumulated impairment losses.

*Amortisation*

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Patents & trademarks	-	20 years
Software	-	4-7 years

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

**1.10 Intangible assets (continued)**

The useful lives for trademarks and software costs represents the management's view of the expected period of which the company will receive benefits; this period does not exceed the trademark or license term. The lives are based on historical experience with similar assets as well as anticipation of future events.

Goodwill is amortised on a straight-line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 10 years which is the directors' assumption of the UEL of the business acquired.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with FRS102 Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

**1.11 Investments in subsidiaries**

Investments in subsidiaries are stated at cost less any provision for impairment.

**1.12 Stock**

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.

**1.13 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 non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

**1.13 Financial instruments (continued)**

Financial assets and liabilities are offset, and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**1.14 Leased assets: the subsidiary company as lessor**

Where assets leased to a third party gives rights approximating to ownership (finance lease), the lessor recognises as a receivable an amount equal to the net investment in the lease i.e. the minimum lease payments receivable under the lease discounted at the interest rate implicit in the lease. This receivable is reduced as the lessee makes capital payments over the term of the lease.

A finance lease gives rise to two types of income: profit or loss equivalent to the profit or loss resulting from outright sale of the asset being leased, at normal selling prices, reflecting any applicable discounts, and finance incomes over the lease term.

**1.15 Leases**

*Finance leases*

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income to produce a constant periodic rate of charge on the net obligation outstanding in each period.

*Operating leases*

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**1.16 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income 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 Key sources of estimation uncertainty and judgements**

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

## 2 Key sources of estimation uncertainty and judgements (continued)

### *Estimation of useful economic life for assets*

The useful lives of the Group's assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. Changes to the useful lives could result in changes to the annual amortisation charges in the profit and loss account and the carrying values of the assets.

### *Goodwill*

The estimation of the useful life of goodwill which arises on business acquisitions represents management's view of the expected period of which the Group will receive benefits from the assets.

### *Net realisable value of stock*

The company makes an estimate of the net realisable values of stock which is based on assessments of current costs and prevailing market conditions. These are re-assessed annually and amended where necessary to reflect current estimates. Changes to these estimates could result in changes to profit or loss for the period and to the carrying value of the stock.

3	Turnover	Year ended 31 Dec 2019	Period ended 31 Dec 2018
		£'000	£'000
	An analysis of the group's turnover is as follows:		
	Sale of goods	30,187	23,213
		<hr/>	<hr/>
	United Kingdom	29,296	22,533
	European Union	812	593
	Rest of World	79	87
		<hr/>	<hr/>
		30,187	23,213
		<hr/>	<hr/>
4	Operating profit	Year ended 31 Dec 2019 £'000	Period ended 31 Dec 2018 £'000
	Operating profit for the year is stated after charging:		
	Depreciation of tangible fixed assets	441	368
	Amortisation of intangible fixed assets	577	507
	Operating lease rentals	495	263
		<hr/>	<hr/>

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5	Auditor's remuneration	Year ended 31 Dec 2019 £'000	Period ended 31 Dec 2018 £'000
	Fees payable to the company's auditor for the audit of the company's annual financial statements	3	7
	Fees payable to the company's auditor and its associates for other services to the group:		
	The audit of financial statements of the company's subsidiary	21	15
	Taxation compliance services	6	3
	Taxation advisory services	14	
		<hr/> 44	<hr/> 25
		<hr/>	<hr/>
6	Staff costs	Year ended 31 Dec 2019 Number	Period ended 31 Dec 2018 Number
	Group		
	The average number of persons employed by the group, including executive directors, was:		
	Production	146	158
	Sales & Administration	65	61
		<hr/> 211	<hr/> 219
		<hr/>	<hr/>
		£'000	£'000
	Aggregate payroll costs for the above persons were:		
	Wages and salaries	7,077	4,885
	Social security costs	642	461
	Contributions to defined contribution plans	218	110
		<hr/> 7,937	<hr/> 5,456
		<hr/>	<hr/>

No employees, excluding directors, were employed directly by the parent company during the year (None during period ended 31 December 2018).



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

<b>7</b>	<b>Directors' remuneration</b>	<b>Year ended 31 Dec 2019 £'000</b>	<b>Period ended 31 Dec 2018 £'000</b>
	Directors' remuneration comprised:		
	Directors' emoluments	587	247
	Company pension contributions	14	-
		<hr/>	<hr/>
		601	247
		<hr/>	<hr/>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £398,000 (31 December 2018: £247,000), and company pension contributions of £nil (31 December 2018: £nil) were made to a money purchase scheme on his behalf.

<b>8</b>	<b>Interest payable and similar charges</b>	<b>Year ended 31 Dec 2019 £'000</b>	<b>Period ended 31 Dec 2018 £'000</b>
	Bank loan interest	59	47
	Other interest payable and similar charges	-	63
		<hr/>	<hr/>
		59	110
		<hr/>	<hr/>

Other interest payable and similar charges include interest payable to group undertakings (DF World of Spices GmbH) of £nil (31 December 2018: £63,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

9	Taxation	Year ended 31 Dec 2019 £'000	Period ended 31 Dec 2018 £'000
	<b>Current tax</b>		
	In respect of the current period	138	335
	Adjustment in respect of prior period	(10)	5
	<b>Total current tax</b>	<b>128</b>	<b>340</b>
	<b>Deferred tax (see note 19)</b>		
	Origination and reversal of timing differences	71	(15)
	Adjustments in respect of prior periods	2	(5)
		<b>73</b>	<b>(20)</b>
	<b>Total tax expense for the period</b>	<b>201</b>	<b>320</b>

## 9 Taxation (continued)

### Factors affecting tax charge for the year/period

The tax assessed for the Year/period is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (31 December 2018 - 19%). The differences are explained below:

	Year ended 31 Dec 2019 £'000	Period ended 31 Dec 2018 £'000
<b>Reconciliation of effective tax rate</b>		
Profit before taxation	689	1,275
Tax using the UK Corporation tax rate of 19% (31 December 2018: 19%)	131	242
Fixed asset differences	14	11
Non-deductible expenses	74	51
Adjusting deferred tax opening and closing to average rates	(8)	2
Deferred tax not recognised	-	14
Adjustment in respect of prior periods	(10)	-
Total tax expense for the period	201	320

All current tax recognised in the profit and loss account is UK Corporation tax.

### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

10	Tangible assets	Land & buildings	Plant & equipment	Vehicles	Total
	Group	£'000	£'000	£'000	£'000
	<b>Cost</b>				
	At 1 January 2019	1,386	5,581	10	6,977
	Additions	-	811	-	811
	Disposals	-	(1,910)	(4)	(1,914)
	At 31 December 2019	1,386	4,482	6	5,874
	<b>Depreciation</b>				
	At 1 January 2019	483	4,035	10	4,528
	Charge for the year	32	409	-	441
	On disposals	-	(1,835)	(4)	(1,839)
	At 31 December 2019	515	2,609	6	3,130
	<b>Net book value</b>				
	At 1 January 2019	903	1,546	-	2,449
	At 31 December 2019	871	1,873	-	2,744

*Leased plant and machinery*

At 31 December 2019 the net carrying amount of plant and equipment leased under a finance lease was £90,000 (31 December 2018: £149,000). The leased equipment secures finance lease obligations (see Note 18).

*Security*

The company has given security to the group's bankers in respect of loan financing and this includes a fixed charge over the property included in fixed assets.

The net book value of land and buildings is all held in the form of a long leasehold.

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11	Intangible assets	Goodwill	Patents & trademarks	Software	Total
	Group	£'000	£'000	£'000	£'000
	<b>Cost</b>				
	At 1 January 2019	12,675	314	621	13,610
	Acquisitions	-	17	19	36
	Disposals	-	-	(4)	(4)
	At 31 December 2019	12,675	331	636	13,642
	<b>Amortisation</b>				
	At 1 January 2019	8,067	227	458	8,752
	Charge for the year	438	17	122	577
	Disposals	-	-	(1)	(1)
	At 31 December 2019	8,505	244	579	9,328
	<b>Net book value</b>				
	At 1 January 2019	4,608	87	163	4,858
	At 31 December 2019	4,170	87	57	4,314

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

<b>12</b>	<b>Fixed asset investments - Company</b>	<b>£'000</b>
	<b>Valuation</b>	
	At 1 January 2019	21,154
	Impairment	(1,245)
		<hr/>
	At 31 December 2019	19,909
		<hr/>

The undertaking in which the Company has an interest at the yearend is as follows:

		Country of incorporation	Principal activity	% shares held	Class of shares held
The Ingredients Limited	Bart Co.	England and Wales	Supply and manufacture of food ingredients	100%	Ordinary £1

<b>13</b>	<b>Stock</b>	<b>Group 31 Dec 2019 £'000</b>	<b>Group 31 Dec 2018 £'000</b>	<b>Company 31 Dec 2019 £'000</b>	<b>Company 31 Dec 2018 £'000</b>
	Raw materials & consumables	2,887	2,347	-	-
	Finished goods	1,662	2,435	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		4,549	4,782	-	-
		<hr/>	<hr/>	<hr/>	<hr/>

Raw materials and consumables recognised as cost of sales in the year amounted to £16,335,000 (31 December 2018: £12,343,000). The write-down of stocks to net realisable value amounted to £161,000 (31 December 2018: £158,000). The write-down is included in cost of sales.

The total carrying amount of stocks pledged as security for liabilities in the year amounted to £4,515,000 (31 December 2018: £4,782,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

14 Debtors	Group 31 Dec 2019 £'000	Group 31 Dec 2018 £'000	Company 31 Dec 2019 £'000	Company 31 Dec 2018 £'000
Trade debtors	4,208	3,793	-	-
Other debtors	219	226	-	-
Prepayments & accrued income	360	455	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	4,787	4,370	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Due after more than one year	83	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
15 Cash and cash equivalents	Group 31 Dec 2019 £'000	Group 31 Dec 2018 £'000	Company 31 Dec 2019 £'000	Company 31 Dec 2018 £'000
Cash at bank and in hand	1,427	998	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,427	998	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

16	Creditors: amounts falling due within one year	Group 31 Dec 2019 £'000	Group 31 Dec 2018 £'000	Company 31 Dec 2019 £'000	Company 31 Dec 2018 £'000
	Bank loans	563	112	-	-
	Obligations under finance leases	15	47	-	-
	Trade creditors	2,919	2,766	-	-
	Corporation tax	93	238	-	-
	Taxation & social security	164	163	-	-
	Other creditors	34	21	-	-
	Accruals & deferred income	2,141	2,127	-	-
	Amounts owed to group undertakings	79	79	-	-
		<u>6,008</u>	<u>5,553</u>	<u>-</u>	<u>-</u>

The subsidiary, Bart Ingredients Co. Limited, has given security to the group's bankers in respect of the bank loans within the group. At 31 December 2019 the maximum extent of this guarantee amounted to £563,000 (December 2018: £675,000).

17	Creditors: amounts falling due after more than one year	Group 31 Dec 2019 £'000	Group 31 Dec 2018 £'000	Company 31 Dec 2019 £'000	Company 31 Dec 2018 £'000
	Bank loans & overdrafts	-	563	-	-
	Obligations under finance leases	-	17	-	-
		<u>-</u>	<u>580</u>	<u>-</u>	<u>-</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

18	Loans and borrowings	Group	Group	Company	Company
		31 Dec 2019 £'000	31 Dec 2018 £'000	31 Dec 2019 £'000	31 Dec 2018 £'000
	<b>Creditors falling due within less than one year</b>				
	Bank loans	563	112	-	-
	Obligations under finance leases	15	47	-	-
	Amounts owed to group undertakings	79	79	-	-
		<u>657</u>	<u>238</u>	<u>-</u>	<u>-</u>
	<b>Creditors falling due after more than one year</b>				
	Bank loans	-	563	-	-
	Obligations under finance leases	-	17	-	-
		<u>-</u>	<u>580</u>	<u>-</u>	<u>-</u>

The loan facility operated by Bart Spices Group Holdings Limited was due to expire in March 2020, although it was subsequently extended. As at year end, the agreement on an extension to the arrangement was still being negotiated. Therefore, the total loan balance is treated as being due in less than one year.

The bank loans are secured by way of a debenture over the assets of The Bart Ingredients Co. Limited and a first fixed charge over the freehold and leasehold property of The Bart Ingredients Co. Limited.

The amounts owed to group undertakings at 31 December 2019 of £79,000 (31 December 2018: £79,000) is owed to DF World of Spices GmbH.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

19 Deferred tax

	Group 31 Dec 2019 £'000	Group 31 Dec 2018 £'000	Company 31 Dec 2019 £'000	Company 31 Dec 2018 £'000
At beginning of year	133	133	-	-
Charged to profit and loss	73		-	-
Utilised in the year	-		-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	206	133	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

The provision for deferred taxation is made up as follows:

Fixed asset timing differences	223	136	-	-
Short term timing differences	(17)	(3)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net deferred tax liabilities	206	133	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

The Group has no accumulated losses to carry forward and offset against future taxable profits (31 December 2018: £nil).

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20	Share capital		31 Dec 2019 £'000
	As at 1 April 2019		120
	As at 31 December 2019		120
		31 Dec 2019	31 Dec 2018
		£	£
	<i>Allotted, called up and fully paid</i>		
	85,000 A Ordinary shares of £0.01 each	850	850
	21,250 B Ordinary shares of £0.01 each	213	213
	16,000 C Ordinary shares of £0.01 each	160	160
	417,740 D Ordinary shares of £0.06 each	25,064	25,064
	1,300,000 Preferred A Ordinary shares of £0.01 each	13,000	13,000
	5,040,197 Preferred B Ordinary shares of £0.01 each	50,402	50,402
	1,513,985 Preferred C Ordinary shares of £0.01 each	15,140	15,140
	1,505,818 Preferred D Ordinary shares of £0.01 each	15,058	15,058
		119,887	119,887

The shares are ranked in the following order; (i) Preferred A Ordinary shares, (ii) Preferred B Ordinary shares, (iii) Preferred C Ordinary shares, (iv) Preferred D Ordinary shares, (v) D ordinary shares, (vi) C ordinary shares, (vii) A ordinary shares, (viii) B ordinary shares. The A ordinary shareholders hold 75% of all votes and the D ordinary shareholders hold 25% of all votes. The shares also have differing redemption values in the event of the sale of the Company.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

**21 Capital contribution reserve**

On 28 August 2018, DF World of Spices GmbH approved the write-off of loans totalling £5,613,000 which had been owed to them by the Group. At the time, DF World of Spices GmbH held a controlling interest in the Group and the directors considered it unlikely that a similar write-off would have been permitted by an unrelated third party. As such, the write-off was recognised as a contribution of capital to the Group by DF World of Spices GmbH and a capital contribution reserve was recognised accordingly.

22 Financial instruments	Group 31 Dec 2019 £'000	Group 31 Dec 2018 £'000	Company 31 Dec 2019 £'000	Company 31 Dec 2018 £'000
Assets held at amortised cost	4,512	4,022	-	-
Liabilities held at amortised cost	5,764	5,732	-	-

Financial assets that are debt instruments measured at amortised cost comprise debtors other than prepayments.

Financial liabilities measured at amortised cost comprise of creditors other than taxation.

**23 Operating leases**

Non-cancellable operating lease rentals are payable as follows:

	Group 31 Dec 2019 £'000	Group 31 Mar 2019 £'000	Company 31 Dec 2019 £'000	Company 31 Mar 2019 £'000
Less than one year	377	311	-	-
Between one and five years	730	508	-	-
More than five years	1,012	1,031	-	-
	2,119	1,850	-	-

During the year £360,000 was recognised as an expense in the profit and loss account in respect of operating leases (31 December 2018: £263,000).

The leases above include two long term land leases which expire in 2080.

**24 Commitments**

*Capital commitments*

The Group and Company had no capital commitments at 31 December 2019 (31 December 2018: None).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

**25 Contingencies**

The company is included within the UK Group's VAT registration scheme; which incorporates the intermediate parent companies and the company's subsidiary. As such, the company is jointly and severally liable for the amounts owed by the other companies at the balance sheet date. As 31 December 2019 this amount to £nil (31 December 2018: £nil).

**26 Related party transactions**

**Group**

*Identity of related parties with which the group has transacted*

During the year consultancy fees of £9,000 (during period ended 31 December 2018: £20,000) were paid to PT Category Consulting Limited, a company which is jointly controlled by DJ Collard, a director of the company, and his wife.

At the year end, an amount of £79,000 (during period ended 31 December 2018: £79,000) was due to DF World of Spices GmbH, the ultimate parent company.

**Company**

The company has taken advantage of the exemption available under FRS102 paragraph 33.1A "Related Party Disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary of the Group.

**27 Ultimate controlling party**

The ultimate controlling party is DF World of Spices GmbH by virtue of its 100% shareholding in Bart Spices Group Holdings Limited. The largest group in which the results of the company are consolidated is that headed by DF World of Spices GmbH. DF World of Spices GmbH is incorporated in Germany and its registered address is Industriestraße 25 49201 Dissen a. T. W. Germany.

No other group financial statements include the results of the company.

**28 Post balance sheet events**

**COVID-19**

On 30 January 2020, the World Health Organisation (WHO) announced Coronavirus as a global health emergency. On 11 March 2020, it announced that Coronavirus was a global pandemic.

The Group's trading performance in 2020 at the time of signing had shown an improvement on the prior year due to significantly increased sales to UK grocery retailers as a result of the COVID-19 pandemic. The Group has produced forecasts and projections for 2020 and 2021 taking account of a range of possible impacts of the pandemic, which show that is unlikely that the overall impact on the Group will be adverse, as the Group has no material exposure to any sector other than food and drink retail.

The onset of the COVID-19 virus has been treated as a non-adjusting post balance sheet event.