

FOODCO UK LLP
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Registered Number OC301010



FOODCO UK LLP
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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FOODCO UK LLP
DESIGNATED MEMBERS AND ADVISERS
FOR THE YEAR ENDED 30 JUNE 2018

Designated members	Foodco Management UK Limited
Registered office	Always House Castle Park Cambridge Cambridgeshire CB3 0AJ
Auditor	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London, EC4A 4AB

FOODCO UK LLP
MEMBERS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

Members' Report

The members present their report and the financial statements of the limited liability partnership for the year ended 30 June 2018

Principal activity

The principal activity of the partnership during the year was that of retail food franchising for the "Muffin Break" concept.

Results for the year and allocation to members

The profit for the year available for distribution to members was £529,856 (2017: £245,326).

Designated members

Foodco Management UK Limited was the designated member during the year.

Policy with respect to members' drawings and subscription and repayments of amounts subscribed or otherwise contributed by members

Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP.

Members' responsibilities

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations.

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law as applied to limited liability partnerships the members 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 limited liability partnership and of the profit or loss of the limited liability partnership for that year.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FOODCO UK LLP
MEMBERS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

Members' responsibilities (continued)

In so far as the members are, individually, aware:

- there is no relevant audit information of which the limited liability partnership's auditor is unaware; and
- each member has taken all steps that they ought to have taken as a member to make themselves aware of any relevant audit information and to establish that the limited liability partnership's auditor is aware of that information.

Auditor

In accordance with the Companies Act 2006 a resolution proposing to appoint RSM UK Audit LLP as Auditor will be put to the members.

Small limited liability partnership provisions

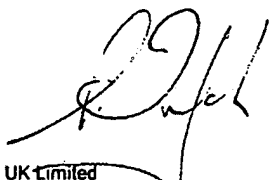
This report has been prepared in accordance with the provisions applicable to LLPs entitled to the small LLPs regime.

Signed on behalf of the members



M Arbuckle
Foodco Management UK Limited

Designated member



S Infanti
Foodco Management UK Limited

Designated member

Approved by the members on ... 24/10/18

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOODCO UK LLP

Opinion

We have audited the financial statements of Foodco UK LLP (the 'limited liability partnership') for the year ended 30 June 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Reconciliation of Members Interests and 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 limited liability partnership's affairs as at 30 June 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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 limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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 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 members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership'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 members' report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information 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 MEMBERS OF FOODCO UK LLP

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships' regime.

Responsibilities of members

As explained more fully in the Members' Responsibilities Statement set out on page 2, the members 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 members 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 members are responsible for assessing the limited liability partnership'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 members either intend to liquidate the limited liability partnership 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 description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Mark Nisbett FCA (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London, EC4A 4AB

Date 26/10/18

FOODCO UK LLP
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 £	2017 £
Turnover	2	7,283,861	6,340,443
Cost of sales		<u>(4,778,480)</u>	<u>(4,339,032)</u>
Gross profit		2,505,381	2,001,411
Administrative expenses		<u>(2,009,530)</u>	<u>(1,761,644)</u>
Operating profit	3	495,851	239,767
Interest receivable		<u>34,005</u>	<u>5,559</u>
Profit for the year before members remuneration and profit share		529,856	245,326
Members' remuneration charged as an expense	4	<u>(529,856)</u>	<u>(245,326)</u>
Result for the financial year available for discretionary division among members		-	-
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u><u>-</u></u>	<u><u>-</u></u>

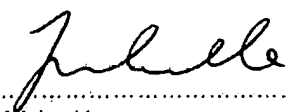
The notes on pages 9 to 17 form part of these financial statements.

FOODCO UK LLP
Registered Number OC301010
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 £	2017 £
Fixed assets			
Property, plant and equipment	5	87,875	51,701
Investments	6	<u>1</u>	<u>1</u>
		87,876	51,702
Current assets			
Inventories		34,193	29,468
Debtors	7	3,172,395	3,060,820
Cash at bank		<u>875,518</u>	<u>525,297</u>
		4,082,106	3,615,585
Creditors: Amounts falling due within one year	8	<u>(3,124,628)</u>	<u>(2,589,489)</u>
Net current assets		957,478	1,026,096
Total assets less current liabilities		1,045,354	1,077,798
Creditors: Amounts falling due after more than one year	9	<u>(423,647)</u>	<u>(394,615)</u>
		621,707	683,183
Provisions for liabilities			
Other provisions	10	<u>(235,650)</u>	<u>(297,126)</u>
Net assets attributable to members		386,057	386,057
Represented by:			
Equity			
Members' other interests - members' capital		<u>386,057</u>	<u>386,057</u>
Total members' interests			
Members' other interests		386,057	386,057
Amounts due from members	7	<u>(36,539)</u>	<u>(566,395)</u>
		349,518	(180,338)

These accounts have been prepared in accordance with the special provisions of the Companies Act 2016 (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.) applicable to LLP's subject to the small LLP's regime.

These accounts were approved by the members and authorised for issue on 24/10/18, and are signed on their behalf by:


.....
M Arbuckle
Foodco Management UK Limited

Designated member


.....
S Infanti
Foodco Management UK Limited

Designated member

The notes on pages 9 to 17 form part of these financial statements.

FOODCO UK LLP
Registered Number OC301010
RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 30 JUNE 2018

	Members' capital (classified as equity)	Total members' other interests	Amounts due from members in debtors	Total
Balance at 1 July 2016	<u>286,057</u>	<u>286,057</u>	<u>(811,721)</u>	<u>(525,664)</u>
Introduced by members	100,000	100,000	-	100,000
Division of profits	-	-	245,326	245,326
Balance at 30 June 2017	<u>386,057</u>	<u>386,057</u>	<u>(566,395)</u>	<u>(180,338)</u>
Division of profits	-	-	529,856	529,856
Balance at 30 June 2018	<u>386,057</u>	<u>386,057</u>	<u>(36,539)</u>	<u>349,518</u>
			2018	2017
Represented by:			£	£
Amounts due from members			<u>(36,539)</u>	<u>(566,395)</u>

The notes on pages 9 to 17 form part of these financial statements.

FOODCO UK LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

GENERAL INFORMATION

Foodco UK LLP has prepared financial statements covering the individual entity's results for the year to 30 June 2018. Foodco UK LLP has presented its financial statements in Sterling which is also the functional currency of the LLP, rounded to the nearest whole pound.

Foodco UK LLP is a Limited Liability Partnership and is incorporated in Great Britain. The address of Foodco UK LLP's registered office is presented on page 1 of these financial statements under Designated Members and Advisers.

1 ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS102") and the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (published January 2017). The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosures are required to show a true and fair view.

b) Consolidated financial statements

The LLP has taken advantage of the exemption in section 400 / 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. Consequently, these financial statements present the financial position and financial performance of the LLP as a single entity.

The financial statements of the LLP are consolidated in the financial statements of Foodco Holdings Pty Limited. The consolidated financial statements of Foodco Holdings Pty Limited are available from the Australian Securities and Investments Commission website at www.asic.gov.au.

c) Going concern

After reviewing the group's forecasts and projections, the members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. The LLP therefore continues to adopt the going concern basis in preparing the accounts.

d) Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers in the ordinary nature of the business. The fair value of consideration takes into account discounts and is shown net of Value Added Tax.

Turnover is recognised in relation to separately identifiable components of a single transaction when necessary to reflect the substance of the arrangement and in relation to two or more linked transactions when necessary to understand the commercial effect.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually on a cash basis at the point of sale within a store.

Franchise Fee

Franchise Fees are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic basis over the term of the Licence Agreement.

Rental income

Rental income is recognised on a straight line basis over the rental term.

Royalties

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements. Royalty arrangements are based on sales and are recognised by reference to the underlying arrangement.

FOODCO UK LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1 ACCOUNTING POLICIES (continued)

e) Foreign currencies

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

f) Property, plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the LLP and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of comprehensive income during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

Leasehold improvements	- over the life of the lease
Other plant & machinery	- 2 to 5 years

g) Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

h) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

i) Taxation

The taxation payable on the partnership profits is solely the personal liability of the individual members consequently neither partnership taxation nor related deferred taxation arising in respect of the partnership are accounted for in these financial statements.

FOODCO UK LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1 ACCOUNTING POLICIES (continued)

j) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

The entity as lessee - operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The entity as lessor - operating leases

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent free periods or other incentives given to the lessee are accounted for a reduction to the rental income and recognised on a straight line basis over the lease term.

k) Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or are capitalised as an intangible fixed asset or a tangible fixed asset.

Employees are entitled to carry forward any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employees services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

l) Financial Instruments

The LLP has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

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

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

i) Financial assets

Debtors

Trade receivables are recognised initially at fair value and subsequently assessed for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that LLP will not be able to collect the receivable. Financial difficulties of the debtor and default payments of debts more than 90 days overdue are considered objective evidence of impairment, except where on extended terms. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimate future cash flows.

FOODCO UK LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1 ACCOUNTING POLICIES *(continued)*

i) Financial Instruments *(continued)*

i) Financial assets *(continued)*

Debtors *(continued)*

The amount of the impairment allowance is the difference between the asset's carrying amount and its recoverable value. The amount of the impairment loss is recognised in the statements of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statements of comprehensive income.

ii) Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the LLP after deducting all of its liabilities.

Creditors

These amounts represent liabilities for goods and services provided to the LLP prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

m) Members' participation rights

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

Profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment and the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense and presented as members remuneration charged as an expense in arriving at the result for the relevant year. To the extent that they remain unpaid at the period end, they are shown as liabilities.

If the LLP makes losses, these are treated in the same way and are shown as an asset on the Balance Sheet if the members' have not paid the LLP at the year end.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment. Such profits are classed as equity rather than as liabilities. They are therefore shown as a residual amount available for discretionary division among members in arriving at the result for the year and are shown as appropriations of equity when they are allocated.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

FOODCO UK LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1 ACCOUNTING POLICIES (continued)

n) Provisions

Provisions are recognised when the LLP has a present obligation (legal or constructive) as a result of a past event, it is probable that the LLP will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the period it arises.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the LLP has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

o) Marketing fund

Marketing fees collected from franchisees are deferred and released to profit and loss to match against expenditure for franchisee marketing activities that they are intended to compensate.

2 EMPLOYEES

	2018	2017
	No.	No.
The average number of persons (excluding members) employed by the partnership during the year was:	<u>37</u>	<u>29</u>

3 OPERATING PROFIT BEFORE TAXATION

	2018	2017
	£	£
Operating profit before taxation is stated after charging/(crediting):		
Depreciation of owned fixed assets	51,431	28,985
(Loss)/profit on disposal of fixed assets	(12)	122,106
Auditors remuneration for statutory audit	18,200	20,500
Net (profit)/loss on foreign currency translation	(534)	10,773
Operating lease payments - buildings	<u>3,409,935</u>	<u>3,118,596</u>

4 INFORMATION IN RELATION TO MEMBERS

	2018	2017
	£	£
Remuneration of members:		
Amounts arising from participation rights that give rise to a liability – division of profits	<u>529,856</u>	<u>245,326</u>
	<u>529,856</u>	<u>245,326</u>

FOODCO UK LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

5 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Other plant & machinery	Total
Cost	£	£	£
At 1 July 2017	294,833	86,638	381,471
Additions	20,000	68,305	88,305
Disposals	-	(2,277)	(2,277)
At 30 June 2018	<u>314,833</u>	<u>152,666</u>	<u>467,499</u>
Depreciation			
At 1 July 2017	264,409	65,361	329,770
Charge for the year	12,020	39,411	51,431
On disposals	-	(1,577)	(1,577)
At 30 June 2018	<u>276,429</u>	<u>103,195</u>	<u>379,624</u>
Net book value			
At 30 June 2018	<u>38,404</u>	<u>49,471</u>	<u>87,875</u>
At 30 June 2017	<u>30,424</u>	<u>21,277</u>	<u>51,701</u>

6 INVESTMENTS

	Shares in group undertakings and participating interests
Cost	
At 1 July 2017	30,002
Disposal	-
At 30 June 2018	<u>30,002</u>
Amounts written off	
At 1 July 2017 and 30 June 2018	<u>30,001</u>
Net book value	
At 30 June 2018	<u>1</u>
At 30 June 2017	<u>1</u>

7 DEBTORS

	2018	2017
	£	£
Trade debtors	1,353,129	1,101,991
Other debtors	49,332	63,424
Prepayments and accrued income	830,215	731,822
Amounts owed from group undertakings	903,180	597,188
Amounts due from members	<u>36,539</u>	<u>566,395</u>
	<u>3,172,395</u>	<u>3,060,820</u>

In the event of a winding up the amounts included in "Amounts due from members" will rank equally with unsecured creditors.

FOODCO UK LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2018	2017
	£	£
Trade creditors	1,062,888	699,090
VAT payable	117,385	73,880
Amounts owed to group undertakings	81,000	169,088
Other creditors including taxation and social security:		
Marketing fund	235,727	222,191
PAYE and social security	24,345	17,167
Other creditors	682,585	326,547
Accruals and deferred income	920,698	1,081,526
	<u>3,124,628</u>	<u>2,589,489</u>

HSBC Bank plc holds a debenture over the assets of the partnership with respect to the bank loan disclosed in creditors above.

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2018	2017
	£	£
Accruals and deferred income	<u>423,647</u>	<u>394,615</u>

10 OTHER PROVISIONS

	2018	2017
	£	£
Onerous lease provision at 1 July 2017	297,126	341,126
Additional provision in the year	113,469	168,641
Reversed in the year	<u>(174,945)</u>	<u>(212,641)</u>
Onerous lease provision 30 June 2018	<u>235,650</u>	<u>297,126</u>

The LLP takes the head lease on all franchised stores and sub-lets the premises to the franchisee. Typically, the sub-lease is on the same terms as the head lease. On occasion, a commercial arrangement may be reached under which the rent payable on the head lease may exceed the rent receivable on the sub-lease. Where that is the case, the LLP recognises an onerous lease provision for the best estimate of the net cost to the LLP of that arrangement, discounted to present value.

11 COMMITMENTS UNDER OPERATING LEASES

The LLP as a lessee:

At 30 June 2018 the limited liability partnership had the following total future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2018	2017
	£	£
Amounts due:		
Within 1 year	3,048,400	3,089,408
Between 1 and 5 years	9,202,136	8,547,037
After 5 years	<u>2,927,597</u>	<u>4,599,332</u>
	<u>15,178,133</u>	<u>16,235,777</u>

The LLP as a lessor:

At 30 June 2018 the limited liability partnership had contracted with tenants, under non-cancellable operating leases, for the following future minimum lease payments:

	2018	2017
	£	£
Amounts due:		
Within 1 year	2,800,866	2,433,752
Between 1 and 5 years	9,007,178	8,912,554
After 5 years	<u>2,927,597</u>	<u>6,311,703</u>
	<u>14,735,641</u>	<u>17,658,009</u>

FOODCO UK LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

12 RELATED PARTY TRANSACTIONS

Foodco Group Pty Limited

During the year the following transactions took place with Foodco Group Pty Limited (as trustee for the Foodco Unit Trust) who are considered to be a related party of Foodco UK LLP as a designated member of the LLP.

	2018 £	2017 £
Balance brought forward	(145,583)	(185,620)
Invoiced during the year	(548,915)	(557,117)
Paid during the year	702,776	623,162
Foreign exchange	(60,022)	(26,008)
Balance due to Foodco Group Pty Limited	<u>(51,744)</u>	<u>(145,583)</u>

In the prior year Foodco Group Pty Limited made a cash capital contribution of £60,000, of which £3,000 was on behalf of Foodco UK Management Ltd.

Barrow Marketing Limited

During the year the following transactions took place with Barrow Marketing Limited who are considered to be a related party.

	2018 £	2017 £
Balance brought forward	(10,000)	(1,303)
Invoiced during the year	(252,550)	(230,776)
Paid during the year	<u>251,756</u>	<u>222,079</u>
Balance due to Barrow Marketing Limited as at 30 June 2018	<u>(10,794)</u>	<u>(10,000)</u>

In the prior year Barrow Marketing Limited made a cash capital contribution in the period of £40,000, of which £2,000 was on behalf of Foodco UK Management Ltd and £38,000 was on behalf of Riding Investments Ltd.

Jamaica Blue Limited

During the year the following transactions took place with Jamaica Blue Limited who are considered to be a related party as the two entities are owned and controlled by the same investors.

	2018 £	2017 £
Balance brought forward	597,188	57,530
Invoiced during the year	442,861	783,494
Loans issued	543,496	566,000
Paid during the year	<u>(681,105)</u>	<u>(809,836)</u>
Balance due from Jamaica Blue Limited as at 30 June 2018	<u>902,440</u>	<u>597,188</u>

Foodco UK LLP has contributed £543,496 (2017: £566,000) during the year to Jamaica Blue Ltd as an unsecured group loan. No repayments of this loan were received. Interest charged to Jamaica Blue Ltd on the loan totalled £34,001 (2017: £5,351) for the year.

FOODCO UK LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

12 RELATED PARTY TRANSACTIONS (continued)

Morelli's Cappuccino Bars (Luton 2) Limited

During the year the following transactions took place with Morelli's Cappuccino Bars (Luton 2) Limited who are considered to be a related party as a 100% subsidiary of Foodco UK LLP.

Balance brought forward	(23,505)	(2)
Invoiced during the year	(75,227)	(77,122)
Paid during the year	<u>81,010</u>	<u>53,619</u>
Balance due (to) / from Morelli's Cappuccino Bars (Luton 2) Limited as at 30 June 2018	<u>(17,722)</u>	<u>(23,505)</u>

Foodco Leamington Spa Limited

As at 30 June 2018 an amount of £1 was due to Foodco Leamington Spa Limited for unpaid share capital. The company is considered to be a related party as they are a 100% subsidiary of Foodco UK LLP. There was no trade between Foodco UK LLP and Foodco Leamington Spa Limited in the year.

13 CONTINGENT LIABILITIES

There are no outstanding contingent liabilities as at 30 June 2018 and 30 June 2017.

14 ULTIMATE CONTROLLING PARTY

In the opinion of the members, the ultimate controlling party is Foodco Holdings Pty Limited incorporated in Australia.

FOODCO UK LLP
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 30 JUNE 2018

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 4 to 5.**

FOODCO UK LLP
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	£	£
Turnover	7,283,861	6,340,443
Cost of sales		
Purchases	883,408	729,083
Rentals	3,409,935	3,122,575
Non recoverable store fit out and design costs	16,000	39,363
Advertising	469,137	448,011
	<u>(4,778,480)</u>	<u>(4,339,032)</u>
Gross profit	<u>2,505,381</u>	<u>2,001,411</u>
Overheads		
Administrative expenses	<u>(2,009,530)</u>	<u>(1,761,644)</u>
Operating loss	495,851	239,767
Interest receivable	<u>34,005</u>	<u>5,559</u>
Loss for the financial year before members' remuneration and profit shares	529,856	245,326
Members' remuneration charged as an expense:		
Members paid under LLP agreement	<u>(529,856)</u>	<u>(245,326)</u>
Result for the financial year available for discretionary division among members	<u><u>-</u></u>	<u><u>-</u></u>

FOODCO UK LLP
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	£	£
Administrative expenses		
Personnel costs		
Wages and salaries	560,206	603,100
Wages and salaries - Company stores	<u>330,199</u>	<u>153,604</u>
	<u>890,405</u>	<u>756,704</u>
Establishment expenses		
Rent, rates and water	604,895	350,125
Insurance	4,079	3,788
Repairs and maintenance	33,141	9,872
Cleaning of premises	<u>6,030</u>	<u>4,970</u>
	<u>648,145</u>	<u>368,755</u>
General expenses		
Motor expenses	41,829	33,667
Travel and subsistence	91,113	103,833
Telephone	12,760	15,692
Office expenses	1,858	3,579
Storage costs	10,155	8,880
Computer Expenses	33,528	27,125
Printing, stationery and postage	11,665	13,899
Recruitment	24,901	22,724
Franchisee recruitment	6,710	5,333
Sundry expenses	8,275	3,991
Donations	-	130
Other operating expenses	28,670	52,634
Subscriptions	2,010	2,854
Entertaining	225	335
Legal and professional fees	15,171	21,394
Accountancy fees	15,873	60,784
Auditors remuneration	18,200	20,000
Depreciation	12,020	13,353
Depreciation of office equipment	39,411	15,612
Purchase of franchise under agency arrangement	-	42,920
Loss on disposal of fixed assets	<u>(12)</u>	<u>122,106</u>
	<u>374,362</u>	<u>590,845</u>
Financial costs		
Bad debts written off	77,859	24,487
Bank charges	19,193	10,080
Foreign currency gains/losses	<u>(534)</u>	<u>10,773</u>
	<u>96,618</u>	<u>45,340</u>
	<u>2,009,530</u>	<u>1,761,644</u>
Interest receivable		
Bank interest receivable	<u>34,005</u>	<u>5,559</u>