Mojo Wholesale Limited

Strategic report, Directors' report and financial statements
Registered number 1203878
2 April 2016

Contents

Strategic report

Principal Activities
The Company's principal activities during the period were those of procurement agents and suppliers of confectionery, soft drinks, crisps and snacks, grocery, alcohol, chilled and frozen and related products.

Financial Review
These financial statements cover the performance of the Company for the 52 weeks ended 2 April 2016. The comparative period was the 52 weeks to 4 April 2015.

The Company ceased trading on 30 January 2016, with all business being transferred to its immediate holding company, Palmer & Harvey McLane Limited. Consequently, the Company's sales decreased from £17,268k in the period to 4 April 2015 to £15,095k in the period to 2 April 2016. Pre-tax profits have also decreased from £1,382k to £725k.

Key Performance Indicators
Other than sales and profit measures mentioned above, gross margin is a primary key performance indicator. Business opportunities are dependent on a variable market climate. The margins made on individual products are commercially sensitive and confidential but the Directors are satisfied with the period's results.

Future developments

The Directors intend that the Company should remain dormant for the foreseeable future.

By order of the Board,

David Scudder
Secretary

29 July 2016

Directors' report

The Directors present their Directors' report and financial statements for Mojo Wholesale Limited for the 52 weeks ended 2 April 2016. The comparative period is for the 52 weeks ended 4 April 2015.

The Company's principal activities and business review are detailed in the Strategic Report on page 1.

Going Concern
In previous periods the financial statements have been prepared on a going concern basis. However, during the period to 2 April 2016 the Directors took the decision to cease trading and transfer all business to the Company's immediate holding Company, Palmer & Harvey McLane Limited. As a consequence the Directors have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

Financial instruments
The financing of the Company and the Group at the period end comprised a £300m asset backed facility secured on the trade receivables of the Company and the Group. On 6 April 2016 this facility was replaced with a new £300m asset backed facility which runs through to October 2019 and can be extended a further year at the option of the banks. The new facility reduces over time to £200m by 31 March 2018.

The Group, through its activities, is exposed to a range of financial risks. These financial risks are managed through a number of defined policies and procedures set by management which are designed to reduce the financial risks relating to credit risk, liquidity risk and market risk.

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The Company has an established process of credit review which focuses on two distinct groups of customer; larger multiple accounts and smaller independent customers. Outstanding debts are continually reviewed by the credit control teams and reported regularly to the Board as part of its weekly performance review. Credit evaluations are conducted on all customers prior to extending credit, and are subject to ongoing review, using information supplied by banks and credit rating agencies where appropriate. Personal guarantees are requested where it is deemed necessary. Management further manage credit risk through the arrangement of credit insurance through established third party insurers.

Liquidity risk and cashflow risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there is sufficient funding capacity to meet short and long-term funding requirements through close management by the group treasury function and senior management. The Group has a £300m asset-backed facility secured on trade debtors which runs through to 6 October 2019. The new facility reduces over time to £200m by 31 March 2018. Treasury closely manages this facility through a process of daily and future cash-flow forecasting and reporting to both management and the banking syndicate.

Market risk and price risk
Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The Company has no exposure to foreign exchange rates given all transactions are derived in UK Sterling. Group interest rate risk is managed through derivatives with approximately 50% of the forecast exposure being hedged through an interest rate swap.

Directors
The Directors who held office during the year were as follows:

Christopher Etherington
Jonathan Moxon

Employees
The Company's policy continues to be that wherever possible full consideration is given to the employment, training, career development and promotion of disabled persons. In addition it is the policy of the Company to provide information to consult with and involve all employees wherever practicable to help make them aware of any factors affecting the Company.

Political contributions
The Company made no political contributions during the period *(2015: £nil)*.

Directors' report *(continued)*

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

David Scudder
Secretary

P&H House
Davigdor Road
Hove
East Sussex
BN3 1RE

29 July 2016

Directors' responsibilities statement

in respect of the Strategic report, the Directors' report and the financial statements

The Directors are responsible for preparing the Strategic report, the Director's 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 101 *Reduced Disclosure Framework.*

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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. As explained in note 1.2, the Directors do not believe that it is appropriate to prepare these statements on a going concern basis

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Mojo Wholesale Limited

We have audited the financial statements of Mojo Wholesale Limited for the period ended 2 April 2016 set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

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

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' responsibilities statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 2 April 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – non going concern basis of preparation

In forming our opinion on the financial statements, which is not further modified in this respect, we have considered the adequacy of the disclosure made in note 1.2 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reasons set out in that note.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

Steve Masters

Steve Masters (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 Forest Gate, Brighton Road,
Crawley, RH11 9PT

29 July 2016

Statement of profit and loss account
for the period ended 2 April 2016

	Note	**Period ended 2 April 2016 £000**	Period ended 5 April 2015 £000
Turnover	*2*	**15,095**	17,268
Cost of sales	*3*	**(14,138)**	(15,751)
Gross profit		**957**	1,517
Administrative expenses	*4*	**(232)**	(132)
Operating profit		**725**	1,385
Interest payable and similar charges	*7*	**-**	(3)
Profit on ordinary activities before taxation		**725**	1,382
Tax	*8*	**(145)**	(290)
Profit for the period		**580**	1,092

The Company has no other comprehensive income or losses other than the result for the period.

The result for the period arose solely from continuing activities.

The accompanying notes on pages 9 to 14 are an integral part of the financial statements.

Balance Sheet
at 2 April 2016

	Note	**2016** **£000**	2015 £000
Current assets			
Debtors	9	-	13,866
Cash at bank and in hand		**6,003**	987
		6,003	14,853
Creditors: amounts falling due within one year	10	**(347)**	(9,777)
Net current assets		**5,656**	5,076
Total assets less current liabilities		**5,656**	5,076
Net assets		**5,656**	5,076
Capital and reserves			
Called up share capital	12	**25**	25
Profit and loss account		**5,631**	5,051
Shareholders' funds		**5,656**	5,076

The accompanying notes on pages 9 to 14 are an integral part of the financial statements.

These financial statements were approved by the Board of Directors on 29 July 2016 and were signed on its behalf by:

Jon Moxon
Director

Company registered number: 1203878

Statements of changes in equity
for the period ended 2 April 2016

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 6 April 2014	25	3,959	3,984
Profit for the period	-	1,092	1,092
Total comprehensive income for the period	-	1,092	1,092
Balance at 4 April 2015	**25**	**5,051**	**5,076**

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 4 April 2015	25	5,051	5,076
Profit for the period	-	580	580
Total comprehensive income for the period	-	580	580
Balance at 2 April 2016	**25**	**5,631**	**5,656**

The accompanying notes on pages 9 to 14 are an integral part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Mojo Wholesale Limited (the "Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard FRS 101 *Reduced Disclosure Framework* ("FRS 101").

The Company adopted FRS 101 for the first time for the period ended 4 April 2015.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Palmer & Harvey (Holdings) Plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

In previous periods the financial statements have been prepared on a going concern basis. However, during the period to 2 April 2016 the Directors took the decision to cease trading and transfer all business to the Company's immediate holding Company, Palmer & Harvey McLane Limited. As a consequence the Directors have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

1.3 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors
Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors
Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Notes *(continued)*
(forming part of the financial statements)

1 Accounting policies *(continued)*

1.3 Non-derivative financial instruments (continued)

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.4 Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

1.5 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)
A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.6 Employee benefits

Defined contribution plans
The Company operates a defined contribution scheme. A defined contribution scheme is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss statement in the periods during which services are rendered by employees.

1.7 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.8 Turnover

Turnover represents management fees earned by virtue of a services agreement with the Company's immediate holding company, Palmer & Harvey McLane Limited, and the value of other goods and services delivered, excluding goods delivered under the agency arrangement, and excluding value added tax. The management fee earned is a percentage of the cost of goods purchased by members of the Palmer and Harvey Group as defined in the services agreement. All turnover arose within the United Kingdom.

1.9 Expenses

Interest receivable and interest payable

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

1.10 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of Profit & Loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Notes *(continued)*
(forming part of the financial statements)

1 Accounting policies *(continued)*

1.10 Taxation *(continued)*

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2 Turnover

	2016	2015
	£000	£000
Management fees	**490**	914
Sale of goods	**14,605**	16,134
	15,095	17,268

3 Cost of sales

	2016	2015
	£000	£000
Cost of goods sold	**14,138**	15,751

4 Administrative expenses

	2016	2015
	£000	£000
Payroll & similar costs	**138**	86
Transport	**1**	-
Other	**87**	40
Audit of these financial statements	**6**	6
	232	132

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, Palmer & Harvey (Holdings) Plc.

5 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	2016	2015
	Number	Number
Administration and management	**5**	4

Notes *(continued)*
(forming part of the financial statements)

5 Staff numbers and costs *(continued)*

The aggregate payroll costs of these persons were as follows:

	2016 £000	2015 £000
Wages and salaries	**127**	77
Social security costs	**9**	6
Contributions to defined contribution plans	**3**	3
	139	86

6 Directors' remuneration

No Directors received emoluments from the Company (2015: £nil).

7 Interest payable and similar charges

	2016 £000	2015 £000
Bank interest	**-**	3

8 Taxation

Recognised in the income statement

	2016 £000	2015 £000
UK corporation tax		
Current tax on income for the period	**145**	290
Total current tax	**145**	290
Tax on profit on ordinary activities	**145**	290

Reconciliation of effective tax rate

	2016 £000	2015 £000
Profit for the year	**580**	1,092
Total tax	**145**	290
Profit excluding taxation	**725**	1,382
Tax using the UK corporation tax rate of 20 % *(2015:21%)*	**145**	290
Total tax expense	**145**	290

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. A further reduction to the UK corporation tax rate was announced in the 2016 Budget to further reduce the tax rate to 17% (to be effective from 1 April 2020). This will reduce the Company's future current tax charge accordingly.

Notes *(continued)*
(forming part of the financial statements)

9 Debtors

	2016	2015
	£000	£000
Trade debtors	-	2,436
Amounts owed by group undertakings	-	8,813
Prepayments and accrued income	-	2,617
Due within one year	-	13,866

The trade debtors are assigned under the Group asset-backed financing arrangement.

10 Creditors: amounts falling due within one year

	2016	2015
	£000	£000
Trade creditors	-	9,767
Amounts owed to group undertakings	**145**	-
Accruals	-	10
Other creditors	**202**	-
	347	9,777

11 Employee benefits

Defined contribution pension scheme
The Company operates a defined contribution pension plan. The total expense relating to the plan in the current year was £2,633 *(2015: £2,560).*

12 Capital and reserves

Share capital

	2016	2015
	Number	Number
Ordinary shares of £1 each:		
On issue at beginning and end of period	**25,050**	25,050

	2016	2015
	£000	£000
Allotted, called up and fully paid		
Ordinary shares of £1 each	**25**	25
Shares classified in shareholders' funds	**25**	25

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

13 Contingencies

The Company and its principal subsidiaries are jointly and severally liable for the indebtedness of the Group to its banking syndicate, and are subject to fixed and floating charges over their assets. There is a right of set off between all other bank accounts. At 2 April 2016 the Company's contingent liability amounted to £294,272,000 *(2015: £271,601,000).*

Notes *(continued)*
(forming part of the financial statements)

14 Related parties

The Directors confirm that there have been no related party transactions during the period which are required to be disclosed.

15 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Palmer & Harvey McLane Limited, a company incorporated in the United Kingdom.

The largest group in which the results of the Company are consolidated is that headed by Palmer & Harvey (Holdings) Plc, the ultimate holding company. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

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