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Financial Statements

Abergavenny Fine Foods Limited

For the Year Ended 31 March 2018

Registered number: 02094670

Company Information

Directors	A J Craske M L A Bowman B J Craske T D Wilcox (resigned 30 June 2017) S Portsmouth D P Kersley P J Mortimer (appointed 2 January 2018)
Company secretary	D P Kersley
Registered number	02094670
Registered office	Unit 6 Castle Meadows Park Merthyr Road Abergavenny Monmouthshire NP7 7RZ
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 11/13 Penhill Road Cardiff South Glamorgan CF11 9UP
Bankers	Santander UK plc Bridle Road Bootle Merseyside L30 4GB
Solicitors	Gabb & Co Old Bank House Beaufort Street Crickhowell Powys NP8 1AD

Contents

Strategic Report
For the Year Ended 31 March 2018

Business review

During the financial year ending 31 March 2018, the company continued to demonstrate strong growth, with sales increasing from £17.0 million in the prior year to £21.5 million – an increase of 27%. The business strategy implemented by the directors continues to be effective, taking advantage of the additional capacity available in the new Blaenavon facility.

Operating profit reported for the prior year was positively affected by exceptional insurance proceeds following the devastating fire in July 2015. As a result, operating profit for the year ending 31 March 2018 shows a large decrease, but excluding these exceptional items, underlying profitability has improved significantly.

The directors are confident that the continuation of customer focused activities, emphasising the innovative capabilities of the company, will ensure that the company will continue to deliver profitable growth in the years ahead.

Principal risks and uncertainties

Financial risk management objectives and policies

The company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources, together with various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The main risks arising from the company's financial instruments are interest rate risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous periods.

Interest rate risks

The company finances its operations through a mixture of retained profits and bank borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The company policy throughout the year has been to ensure flexibility is achieved by overdraft facilities.

This report was approved by the board on 5 September 2018 and signed on its behalf.

M L A Bowman

M L A Bowman
Director

Directors' Report

For the Year Ended 31 March 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the company during the year was the manufacture of cheese and cheese products together with party finger food breaded products and desserts.

Results and dividends

The profit for the year, after taxation, amounted to £898,613 (2017 - £3,551,544).

No dividends were paid during the year (2017: £Nil).

Directors

The directors who served during the year were:

A J Craske
M L A Bowman
B J Craske
T D Wilcox (resigned 30 June 2017)
S Portsmouth
D P Kersley
P J Mortimer (appointed 2 January 2018)

Directors' Report (continued)
For the Year Ended 31 March 2018

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 5 September 2018 and signed on its behalf.

MLA Bowman.

M L A Bowman
Director

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Independent Auditor's Report to the Shareholders of Abergavenny Fine Foods Limited

Opinion

We have audited the financial statements of Abergavenny Fine Foods Limited (the 'company') for the year ended 31 March 2018, set out on pages 7 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Who we are reporting to

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.

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 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.

Grant Thornton

Independent Auditor's Report to the Shareholders of Abergavenny Fine Foods Limited (continued)

Other information

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

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

We have nothing to report in this regard.

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

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

- the information given in the Strategic report and the Directors' report for the financial year 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.

Matter on which we are required to report by the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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 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.

Independent Auditor's Report to the Shareholders of Abergavenny Fine Foods Limited (continued)

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on page 2, 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 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 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. This description forms part of our Auditor's report.

Grant Thornton UK LLP

Rhian Owen (Senior statutory auditor)

for and on behalf of
Grant Thornton UK LLP

Chartered Accountants
Statutory Auditor

11/13 Penhill Road
Cardiff
South Glamorgan
CF11 9UP
Date: 5 September 2018

Statement of Comprehensive Income

For the Year Ended 31 March 2018

	Note	2018 £	2017 £
Turnover	3	**21,494,481**	16,960,156
Cost of sales		**(15,687,182)**	(13,197,504)
Gross profit		**5,807,299**	3,762,652
Distribution costs		**(317,809)**	(429,867)
Administrative expenses		**(5,030,386)**	(4,649,942)
Exceptional administrative expenses	11	**672,686**	5,561,525
Other operating income	4	**23,577**	23,577
Operating profit	5	**1,155,367**	4,267,945
Interest payable and expenses	9	**(199,767)**	(175,209)
Profit before tax		**955,600**	4,092,736
Tax on profit	10	**(56,987)**	(541,192)
Profit for the year		**898,613**	3,551,544

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 13 to 27 form part of these financial statements.

Balance Sheet
As at 31 March 2018

	Note		2018 £		2017 £
Fixed assets					
Tangible assets	12		**7,256,263**		7,781,753
			7,256,263		7,781,753
Current assets					
Stocks	13	**4,209,476**		4,268,588	
Debtors: amounts falling due within one year	14	**3,677,376**		2,234,493	
Cash at bank and in hand	15	**20,346**		14,862	
		7,907,198		6,517,943	
Creditors: amounts falling due within one year	16	**(6,379,664)**		(6,253,913)	
Net current assets			**1,527,534**		264,030
Total assets less current liabilities			**8,783,797**		8,045,783
Creditors: amounts falling due after more than one year	17		**(467,491)**		(592,124)
Provisions for liabilities					
Deferred tax	21	**(582,731)**		(618,697)	
			(582,731)		(618,697)
Net assets			**7,733,575**		6,834,962
Capital and reserves					
Called up share capital	22		**100**		100
Profit and loss account	23		**7,733,475**		6,834,862
			7,733,575		6,834,962

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
5 September 2018

M L A Bowman

M L A Bowman
Director

The notes on pages 13 to 27 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 March 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2017	100	6,834,862	6,834,962
Profit for the year	-	898,613	898,613
At 31 March 2018	100	7,733,475	7,733,575

Statement of Changes in Equity

For the Year Ended 31 March 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2016	100	3,283,318	3,283,418
Profit for the year	-	3,551,544	3,551,544
At 31 March 2017	**100**	**6,834,862**	**6,834,962**

The notes on pages 13 to 27 form part of these financial statements.

Statement of Cash Flows
For the Year Ended 31 March 2018

	2018	2017
	£	£
Cash flows from operating activities		
Profit for the financial year	**898,613**	3,551,544
Adjustments for:		
Depreciation of tangible assets	**859,066**	440,210
Government grants	**(24,825)**	(24,825)
Increase in stocks	**59,112**	(1,438,106)
Interest paid	**199,767**	175,209
Taxation	**56,987**	541,192
Increase in debtors	**(1,442,883)**	1,679,516
Increase in creditors	**(1,236,227)**	(2,171,780)
Corporation tax	**(34,953)**	10,042
Net cash generated from operating activities	**(665,343)**	2,763,002
Cash flows from investing activities		
Purchase of tangible fixed assets	**(333,576)**	(2,893,166)
Government grants received	**24,825**	24,825
HP interest paid	**(71,395)**	(60,228)
Net cash from investing activities	**(380,146)**	(2,928,569)

Statement of Cash Flows (continued)

For the Year Ended 31 March 2018

	2018 £	2017 £
Cash flows from financing activities		
Repayment of loans	-	(1,780)
Repayment of other loans	**(128,136)**	(123,469)
Repayment of finance leases	**156,524**	136,469
Movements on invoice discounting	**952,970**	108,189
Interest paid	**(128,372)**	(114,981)
Net cash used in financing activities	**852,986**	4,428
Net increase / (decrease) in cash and cash equivalents	**(192,503)**	(161,139)
Cash and cash equivalents at beginning of year	**(694,813)**	(533,674)
Cash and cash equivalents at the end of year	**(887,316)**	(694,813)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**20,346**	14,862
Bank overdrafts	**(907,662)**	(709,675)
	(887,316)	(694,813)

The notes on pages 13 to 27 form part of these financial statements.

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Revenue

Revenue arises from the sales of goods and services. It is stated at the fair value of the consideration receivable, net of value added tax, rebates and discounts.

Revenue from the sale of goods is recognised when the significant risks and benefits of ownership of the product have transferred to the buyer, which may be upon shipment, completion of the product or the product being ready for delivery, based on specific contract terms.

1.3 Tangible fixed 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.

Depreciation is provided on the following basis:

Leasehold property	- 25% straight line
Plant & machinery	- 10-50% straight line
Motor vehicles	- 25% straight line
Fixtures & fittings	- 10-33% straight line
Equipment	- 25-33% straight line
Tenants Improvements	- 5% straight line
Dairy	- 25% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

Notes to the Financial Statements
For the Year Ended 31 March 2018

1. Accounting policies (continued)

1.4 Stocks

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 outbasis. 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.

1.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

1.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, 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 payables or receivables, 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 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 amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Notes to the Financial Statements
For the Year Ended 31 March 2018

1. Accounting policies (continued)

1.7 Financial instruments (continued)

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, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

1.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.9 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

1.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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

Notes to the Financial Statements
For the Year Ended 31 March 2018

1. Accounting policies (continued)

1.11 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.

1.12 Operating leases: the Company as lessee

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.

1.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.14 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

1.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

Notes to the Financial Statements
For the Year Ended 31 March 2018

1. Accounting policies (continued)

1.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.17 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

1.18 Research and development

Research and development expenditure is written off in the year in which it is incurred.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Depreciation
The company exercises judgement to determine useful lives and residual values of tangible fixed assets. The assets are depreciated down to their residual values over their estimated lives.

Provisions
A provision has been made for trade debtors. This provision is an estimate and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

Notes to the Financial Statements
For the Year Ended 31 March 2018

3. Turnover

The whole of the turnover is attributable to the one principal activity of the company.

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	**19,160,650**	15,301,547
Rest of Europe	**494,840**	457,909
Rest of the world	**1,838,991**	1,200,700
	21,494,481	16,960,156

4. Other operating income

	2018 £	2017 £
Net rents receivable	**(1,248)**	(1,248)
Government grants receivable	**24,825**	24,825
	23,577	23,577

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	**859,066**	440,210
Difference on foreign exchange	**(6,085)**	7,409
Defined contribution pension cost	**52,332**	47,907

6. Auditor's remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**14,585**	14,165

Notes to the Financial Statements

For the Year Ended 31 March 2018

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	**3,466,434**	3,097,902
Social security costs	**331,142**	286,693
Cost of defined contribution scheme	**52,332**	47,907
	3,849,908	3,432,502

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Production	**104**	85
Distribution	**10**	11
Administrative	**19**	19
	133	115

8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	**416,187**	430,839
Company contributions to defined contribution pension schemes	**13,054**	23,819
	429,241	454,658

During the year retirement benefits were accruing to 4 directors (2017 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £102,573 (2017 - £112,484).

9. Interest payable and similar charges

	2018 £	2017 £
Bank interest payable	**128,372**	114,981
Finance leases and hire purchase contracts	**71,395**	60,228
	199,767	175,209

Notes to the Financial Statements

For the Year Ended 31 March 2018

10. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	58,000	238,957
Adjustments in respect of previous periods	34,953	10,043
Total current tax	92,953	249,000
Deferred tax		
Origination and reversal of timing differences	(35,966)	292,192
Total deferred tax	(35,966)	292,192
Taxation on profit on ordinary activities	56,987	541,192

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	955,600	4,092,736
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	181,564	818,547
Effects of:		
Expenses not deductible for tax purposes	17,343	11,712
Other differences	575	(160,461)
Adjustments to tax charge in respect of prior periods	5,209	(68,454)
Changes in tax rates	732	(63,643)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(165,053)	-
Non qualifying depreciation	16,617	3,491
Total tax charge for the year	56,987	541,192

Notes to the Financial Statements

For the Year Ended 31 March 2018

11. Exceptional items

	2018 £	2017 £
Business interruption and stock loss proceeds	**778,571**	7,201,671
Other exceptional costs	**(105,885)**	(1,640,146)
	672,686	5,561,525

12. Tangible fixed assets

	Leasehold property £	Plant & machinery £	Fixtures & fittings £	Tenants Improvements £	Motor vehicles £
Cost or valuation					
At 1 April 2017	**171,426**	**3,564,741**	**226,351**	**3,130,334**	**3,600**
Additions	**-**	**149,473**	**3,614**	**122,848**	**-**
At 31 March 2018	**171,426**	**3,714,214**	**229,965**	**3,253,182**	**3,600**
Depreciation					
At 1 April 2017	**171,426**	**301,085**	**44,889**	**-**	**3,600**
Charge for the period on owned assets	**-**	**495,162**	**32,898**	**156,544**	**-**
At 31 March 2018	**171,426**	**796,247**	**77,787**	**156,544**	**3,600**
Net book value					
At 31 March 2018	**-**	**2,917,967**	**152,178**	**3,096,638**	**-**
At 31 March 2017	-	3,263,656	181,462	3,130,334	-

Notes to the Financial Statements
For the Year Ended 31 March 2018

12. Tangible fixed assets (continued)

	Equipment £	Dairy £	Total £
Cost or valuation			
At 1 April 2017	236,918	1,337,012	8,670,382
Additions	4,241	53,400	333,576
At 31 March 2018	241,159	1,390,412	9,003,958
Depreciation			
At 1 April 2017	54,147	313,482	888,629
Charge for the period on owned assets	28,977	145,485	859,066
At 31 March 2018	83,124	458,967	1,747,695
Net book value			
At 31 March 2018	158,035	931,445	7,256,263
At 31 March 2017	182,771	1,023,530	7,781,753

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Plant and machinery	630,711	231,871
	630,711	231,871

13. Stocks

	2018 £	2017 £
Raw materials and consumables	4,209,476	4,268,588
	4,209,476	4,268,588

Notes to the Financial Statements

For the Year Ended 31 March 2018

14. Debtors

	2018 £	2017 £
Trade debtors	**3,333,155**	1,946,597
Other debtors	**159,057**	141,337
Prepayments and accrued income	**185,164**	146,559
	3,677,376	2,234,493

15. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	**20,346**	14,862
Less: bank overdrafts	**(907,662)**	(709,675)
	(887,316)	(694,813)

16. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	**907,662**	709,675
Bank loans	**120,000**	120,000
Trade creditors	**1,912,276**	2,702,618
Corporation tax	**58,000**	249,000
Taxation and social security	**83,088**	60,910
Obligations under finance lease and hire purchase contracts	**289,299**	136,278
Invoice discounting facility	**2,381,508**	1,428,538
Other creditors	**217,367**	417,724
Accruals and deferred income	**410,464**	429,170
	6,379,664	6,253,913

Notes to the Financial Statements

For the Year Ended 31 March 2018

17. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Other loans	**4,564**	132,700
Net obligations under finance leases and hire purchase contracts	**462,927**	459,424
	467,491	592,124

Secured loans

The bank loans and overdrafts are secured by a first debenture charge over the assets of the company.

18. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loans	**120,000**	120,000
	120,000	120,000
Amounts falling due 1-2 years		
Bank loans	**4,564**	132,700

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	**289,299**	136,278
Between one and five years	**462,927**	459,424
	752,226	595,702

Notes to the Financial Statements

For the Year Ended 31 March 2018

20. Financial instruments

	2018	2017
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	**20,346**	14,862
Financial assets that are debt instruments measured at amortised cost	**3,492,212**	2,087,934
	3,512,558	2,102,796
Financial liabilities		
Financial liabilities measured at amortised cost	**(4,270,770)**	(5,004,150)
	(4,270,770)	(5,004,150)

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank overdrafts, bank loans, trade creditors, construction build creditors, obligations under finance leases, other creditors and accruals.

21. Deferred taxation

	2018	2017
	£	£
At beginning of year	**618,697**	326,505
Charged to profit or loss	**(35,966)**	292,192
At end of year	582,731	618,697

The provision for deferred taxation is made up as follows:

	2018	2017
	£	£
Accelerated capital allowances	**600,369**	627,605
Pension surplus	**(578)**	(578)
Other	**(17,060)**	(8,330)
	582,731	618,697

Notes to the Financial Statements

For the Year Ended 31 March 2018

22. Share capital

	2018	2017
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	**100**	100

23. Reserves

Profit & loss account

The profit and loss account includes all current and prior period profits and losses.

24. Capital commitments

At 31 March 2018 the Company had capital commitments as follows:

	2018	2017
	£	£
Contracted for but not provided in these financial statements	-	239,391
	-	239,391

25. Commitments under operating leases

At 31 March 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	£	£
Not later than 1 year	**29,229**	14,685
Later than 1 year and not later than 5 years	**27,463**	7,966
Total	**56,692**	22,651

Notes to the Financial Statements
For the Year Ended 31 March 2018

26. Related party transactions

The company paid property rentals to the directors' pension fund amounting to £351,250 (2017: £111,824) and at year end there was an amount of £84,134 (2017: £Nil) owed to the pension fund in relation to the rentals, included in other creditors.

As at 31 March 2018, the directors' pension fund owed Abergavenny Fine Foods Limited £40,863 (2017: £17,562), included in other debtors.

Previously the directors of the company set up a company in the United States. At the end of the year £Nil (2017: £591) was owed to the company by Abergavenny Fine Foods Limited.