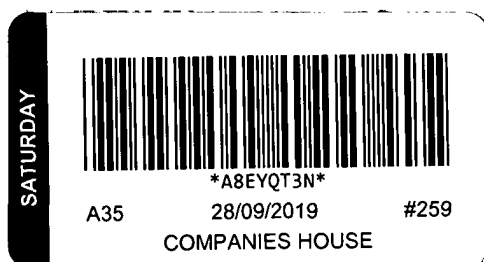


Company Registration No. 02268310 (England and Wales)

RALPH PETERS & SONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



RALPH PETERS & SONS LIMITED

COMPANY INFORMATION

Directors	M J Peters L R Peters R P Peters
Company number	02268310
Registered office	Coronation Road Cressex Business Park High Wycombe Buckinghamshire HP12 3TA
Auditor	Buckle Barton Limited Sanderson House Station Road Horsforth Leeds LS18 5NT

RALPH PETERS & SONS LIMITED

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RALPH PETERS & SONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present the strategic report for the year ended 31 December 2018.

2018 was the hottest summer for 30 years. Against this background, the soft drinks industry, which is influenced by the weather, grew significantly in value and volume terms, with consumers increasingly moving towards premium products, spending relatively more on soft drinks in convenience and leisure outlets.

The industry has also undergone change in the last year as it has navigated the Industry tax levy in the United Kingdom, which is now applied to drinks with higher sugar content.

Against this context, the aim of the group is to continue to deliver revenue and profit growth by growing the ice drinks and ice products markets and growing market share in both the United Kingdom and through accelerated international expansion.

The business and the group will also focus on key higher-margin (premium) products and formats whilst driving further efficiencies.

Using this strategy, the Directors believe that the company and the group has performed well as indicated by the following financial metrics.

Financial Key Performance Indicators

The management focus upon a range of key measures to monitor and manage the group. The main financial metrics are:

- Net Revenue – which increased by 48.5%
- Gross Profit – which increased by 40.8%
- Net profit before tax – which increased by 49.0%

Principal Risks and Uncertainties Business Risk

The Directors believe that the main business risks are identified below along with the mitigating actions which have been put in place:

- A change in the consumer preference or the economic environment could reduce sales of our brands. This risk is partially mitigated because the business has diversified its portfolio and broadened the number of geographic markets operated in.
- Health and obesity debate could reduce sales of our products, as could the introduction of additional government taxes on the beverage industry. The business continues to innovate and offer a broad choice of products to consumers to mitigate any changes in consumer preference.
- A termination or variation in arrangements with Slush Puppie and / or the The Coca Cola Company could reduce our business. The arrangement with Slush Puppie is in perpetuity. The contract with The Coca Cola Company is for a defined time period, but has clauses attached which protect the business.
- A major customer changes to a different supplier, enabling a competitor to gain a foothold in the market. This risk is partially mitigated because the company continues to grow its distribution base, both within existing markets and across Europe.
- A major competitor enters the market through price competition removing the available profit in the category. The group continues to invest in system improvements to drive efficiencies to accommodate such an eventuality.

RALPH PETERS & SONS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

- Increasing Commodity demand and pricing could impact our profitability. Input costs are a relatively small proportion of the group's cost base. Any increase in these costs would impact margins made by the business, but would impact the broader market and conventional soft drinks players harder, forcing them to increase their prices proportionally more. It is believed that this dynamic would potentially allow more consumers to switch into our brands and product format mitigating some of the lost margin.
- A product quality issue leads to a recall and significant cost. The group continues to invest in systems to manage product quality and tracking. Further, a full product recall tracking procedure which would allow the business to closely define any impacted products is in place, minimising the amount of product which would need to be recalled and therefore protecting as far as is possible the brand equity and financial losses.
- Loss of the High Wycombe site could reduce product availability and machine parts and therefore sales. To mitigate this risk, the group has undertaken successful trials with third party product suppliers who could pack product in the event of a disaster impacting the facilities at High Wycombe. The group is also confident that the original freezer manufacturers could supply spare parts in such an event.
- An IT systems issue could result in a significant disruption to the business over a prolonged period or permanent loss of records and data if the IT disaster recovery plans are not adequate. The major systems are hosted by major third parties with full disaster recovery back up. Further, the facilities are web based with data stored on the cloud and therefore activities could be resumed relatively quickly.
- Inadequate security over the IT network could result in data loss or corruption. As above, the major IT infrastructure is hosted by substantial third-party specialist IT companies who continue to monitor data security on a regular basis.

Liquidity Risk

Despite a broadening of the group's product offering into new products and channels, the ice drinks market remains highly seasonal with a peak in sales over the summer months. To mitigate as far as possible the cash flow issue this period presents, strong cash management practices are used in the business. The group also has access to overdraft facilities to manage this particular period.

Interest Rate Risk

A significant proportion of the long-term debt in the business is provided by Directors who are also owners of the business. They have the ability to set the interest rates which are not directly impacted by market driven criteria.

Credit Risk

The group has a significant number of customers across several different geographies. Further, our largest customers are large corporations. With this level of diversity in the customer base, and scale of the largest customers, the credit risk is thought to be relatively low.

RALPH PETERS & SONS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Future Developments

The Directors will continue to focus on the strategy outlined above. Specifically, they have identified the following key priorities for the next two to three years:

- Growth by availability and rate of sale in selected channels. Tactics will include the introduction of different business models and increased marketing investment tuned for different types of customers.
- Growth via driving availability in selected International markets. Focus will be on frozen carbonated beverages and frozen uncarbonated beverages to provide an offering to a broad range of consumers and in each market.
- Continued innovation in all aspects of the business, including machine and product development, to provide differentiation from the competitive set.
- Development of employees and continuing to improve the working environment to optimise employee performance.

The Director's will also consider appropriately targeted acquisitions which can be efficiently leveraged as part of the group's established portfolio and through the group's infrastructure and systems.

On behalf of the board



L R Peters

Director

25 September 2019

RALPH PETERS & SONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

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

Principal activities

The principal activity of the company and group continued to be that of holding the shares of its subsidiaries,

The principal activity of the main subsidiary company, Slush Puppie Limited, was the manufacturing, processing, and distribution of ice crystal drinks, fruit juices, squashes, and associated technical services.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M J Peters
L R Peters
R P Peters

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Auditor

In accordance with the company's articles, a resolution proposing that Buckle Barton Limited be reappointed as auditor of the group will be put at a General Meeting.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the group 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of Principal Risks and Uncertainties, Future Developments, and Financial Key Performance Indicators.

RALPH PETERS & SONS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



L R Peters
Director

25 September 2019

RALPH PETERS & SONS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RALPH PETERS & SONS LIMITED

Opinion

We have audited the financial statements of Ralph Peters & Sons Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows 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 group's and the parent company's affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The 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.

RALPH PETERS & SONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF RALPH PETERS & SONS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

George Goodman FCCA (Senior Statutory Auditor)
for and on behalf of Buckle Barton Limited
Statutory Auditor

25 September 2019
Sanderson House
Station Road
Horsforth
Leeds
LS18 5NT

RALPH PETERS & SONS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	3	33,808,379	22,768,615
Cost of sales		(14,698,583)	(9,195,406)
Gross profit		19,109,796	13,573,209
Administrative expenses		(17,272,235)	(12,197,810)
Operating profit	4	1,837,561	1,375,399
Interest payable and similar expenses	7	(254,362)	(312,992)
Profit before taxation		1,583,199	1,062,407
Tax on profit		(489,887)	(284,749)
Profit for the financial year		1,093,312	777,658

Profit for the financial year is all attributable to the owners of the parent company.

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

RALPH PETERS & SONS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	£	£
Profit for the year	1,093,312	777,658
Other comprehensive income		
Currency translation differences	(7,986)	-
Total comprehensive income for the year	<u>1,085,326</u>	<u>777,658</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

RALPH PETERS & SONS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Goodwill	8		230,154		1,058,938
Tangible assets	9		7,005,144		5,034,062
Investments	10		244,417		244,417
			<u>7,479,715</u>		<u>6,337,417</u>
Current assets					
Stocks	13	3,832,632		2,135,611	
Debtors	14	6,859,073		4,110,068	
Cash at bank and in hand		1,544,338		831,765	
		<u>12,236,043</u>		<u>7,077,444</u>	
Creditors: amounts falling due within one year	15	(12,070,585)		(7,721,734)	
Net current assets/(liabilities)			<u>165,458</u>		<u>(644,290)</u>
Total assets less current liabilities			<u>7,645,173</u>		<u>5,693,127</u>
Creditors: amounts falling due after more than one year	16		(1,492,203)		(625,483)
Provisions for liabilities	17		(31,000)		(31,000)
Net assets			<u>6,121,970</u>		<u>5,036,644</u>
Capital and reserves					
Called up share capital	19	50,002		50,002	
Profit and loss reserves		6,071,968		4,986,642	
Total equity			<u>6,121,970</u>		<u>5,036,644</u>

The financial statements were approved by the board of directors and authorised for issue on 25 September 2019 and are signed on its behalf by:

Laura Peters

L R Peters
Director

RALPH PETERS & SONS LIMITED

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Investments	10		466,561		466,561
Current assets					
Debtors	14	7,884		7,884	
Creditors: amounts falling due within one year	15	(414,939)		(414,939)	
Net current liabilities			(407,055)		(407,055)
Total assets less current liabilities			<u>59,506</u>		<u>59,506</u>
Capital and reserves					
Called up share capital	19		50,002		50,002
Profit and loss reserves			9,504		9,504
Total equity			<u>59,506</u>		<u>59,506</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £0 (2017 - £0 profit).

The financial statements were approved by the board of directors and authorised for issue on 25 September 2019 and are signed on its behalf by:

Laura Peters

L R Peters
Director

Company Registration No. 02268310

RALPH PETERS & SONS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2017	50,002	4,208,984	4,258,986
Year ended 31 December 2017:			
Profit and total comprehensive income for the year	-	777,658	777,658
Balance at 31 December 2017	50,002	4,986,642	5,036,644
Year ended 31 December 2018:			
Profit for the year	-	1,093,312	1,093,312
Other comprehensive income:			
Currency translation differences	-	(7,986)	(7,986)
Total comprehensive income for the year	-	1,085,326	1,085,326
Balance at 31 December 2018	50,002	6,071,968	6,121,970

RALPH PETERS & SONS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2017	50,002	9,504	59,506
Year ended 31 December 2017:			
Profit and total comprehensive income for the year	-	-	-
Balance at 31 December 2017	50,002	9,504	59,506
Year ended 31 December 2018:			
Profit and total comprehensive income for the year	-	-	-
Balance at 31 December 2018	50,002	9,504	59,506

RALPH PETERS & SONS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	23	3,671,029		3,946,371	
Interest paid		(254,362)		(312,992)	
Income taxes paid		(368,296)		(298,445)	
Net cash inflow from operating activities		<u>3,048,371</u>		<u>3,334,934</u>	
Investing activities					
Purchase of tangible fixed assets		(3,979,371)		(2,785,788)	
Proceeds on disposal of tangible fixed assets		140,536		137,186	
Purchase of subsidiaries		-		(2,835)	
Proceeds on disposal of subsidiaries		-		(69,739)	
Purchase of associates		-		8,962	
Purchase of fixed asset investments		-		(69,066)	
Proceeds from other investments and loans		(227,767)		(14,934)	
Net cash used in investing activities		<u>(4,066,602)</u>		<u>(2,796,214)</u>	
Financing activities					
Repayment of borrowings		-		(31,978)	
Payment of finance leases obligations		1,564,695		(239,864)	
Net cash generated from/(used in) financing activities		<u>1,564,695</u>		<u>(271,842)</u>	
Net increase in cash and cash equivalents		<u>546,464</u>		<u>266,878</u>	
Cash and cash equivalents at beginning of year		831,765		576,476	
Effect of foreign exchange rates		(7,986)		(11,589)	
Cash and cash equivalents at end of year		<u><u>1,370,243</u></u>		<u><u>831,765</u></u>	
Relating to:					
Cash at bank and in hand		1,544,338		831,765	
Bank overdrafts included in creditors payable within one year		<u>(174,095)</u>		<u>-</u>	

RALPH PETERS & SONS LIMITED

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Net increase in cash and cash equivalents			-		-
Cash and cash equivalents at beginning of year			-		-
Cash and cash equivalents at end of year			-		-

RALPH PETERS & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Ralph Peters & Sons Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Coronation Road, Cressex Business Park, High Wycombe, Buckinghamshire, HP12 3TA.

The group consists of Ralph Peters & Sons Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Ralph Peters & Sons Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The accounts of foreign subsidiary companies have been translated into £ Sterling using the closing market rate at the balance sheet date.

RALPH PETERS & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	over the period of the lease
Plant and equipment	20% - 33.3% per annum on cost
Fixtures and fittings	25% per annum on reducing balance
Computers	
Motor vehicles	25% per annum on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

RALPH PETERS & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

RALPH PETERS & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

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

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

RALPH PETERS & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, 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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified 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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

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

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

RALPH PETERS & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.15 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 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 fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

RALPH PETERS & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2018 £	2017 £
Turnover analysed by geographical market		
UK	23,583,901	19,339,200
Rest of EU	9,836,578	3,034,913
Rest of World	387,900	394,502
	<u>33,808,379</u>	<u>22,768,615</u>

RALPH PETERS & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

4 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	26,879	10,195
Research and development costs	71,336	99,109
Depreciation of owned tangible fixed assets	1,119,600	312,761
Depreciation of tangible fixed assets held under finance leases	721,743	941,036
Loss on disposal of tangible fixed assets	26,410	24,411
Amortisation of intangible assets	828,784	828,785
Reversal of past impairment of intangible assets	-	(72,575)
Cost of stocks recognised as an expense	11,454,868	6,944,700

5 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	5,000	5,000
Audit of the financial statements of the company's subsidiaries	39,819	17,796
	<u>44,819</u>	<u>22,796</u>
For other services		
Taxation compliance services	1,665	1,490
Services relating to corporate finance transactions	-	9,040
All other non-audit services	49,395	5,245
	<u>51,060</u>	<u>15,775</u>

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Administration	34	25	-	-
Selling and distribution	43	33	-	-
Production	11	9	-	-
Service technicians	54	39	-	-
	<u>142</u>	<u>106</u>	<u>-</u>	<u>-</u>

RALPH PETERS & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

6 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	6,753,136	4,637,233	-	-
Social security costs	701,344	546,458	-	-
Pension costs	83,084	93,255	-	-
	<u>7,537,564</u>	<u>5,276,946</u>	<u>-</u>	<u>-</u>

7 Interest payable and similar expenses

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	12,200	3,514
Interest on finance leases and hire purchase contracts	121,525	189,061
	<u>133,725</u>	<u>192,575</u>
Other finance costs:		
Other interest	120,637	120,417
	<u>254,362</u>	<u>312,992</u>

8 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 January 2018 and 31 December 2018	5,955,492
Amortisation and impairment	
At 1 January 2018	4,896,554
Amortisation charged for the year	828,784
	<u>5,725,338</u>
At 31 December 2018	
Carrying amount	
At 31 December 2018	230,154
At 31 December 2017	<u>1,058,938</u>

The company had no intangible fixed assets at 31 December 2018 or 31 December 2017.

RALPH PETERS & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2018**

9 Tangible fixed assets

Group	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2018	398,033	9,958,128	325,319	-	250,885	10,932,365
Additions	24,832	3,308,353	284,791	4,802	356,593	3,979,371
Disposals	-	(222,870)	-	-	(124,359)	(347,229)
Transfers	-	3,310	(3,300)	-	-	10
At 31 December 2018	422,865	13,046,921	606,810	4,802	483,119	14,564,517
Depreciation and impairment						
At 1 January 2018	103,296	5,495,330	195,412	-	104,265	5,898,303
Depreciation charged in the year	39,797	1,567,658	103,134	715	130,039	1,841,343
Eliminated in respect of disposals	-	(142,993)	-	-	(37,280)	(180,273)
Transfers	-	3,300	(3,300)	-	-	-
At 31 December 2018	143,093	6,923,295	295,246	715	197,024	7,559,373
Carrying amount						
At 31 December 2018	279,772	6,123,626	311,564	4,087	286,095	7,005,144
At 31 December 2017	294,737	4,462,798	129,907	-	146,620	5,034,062

The company had no tangible fixed assets at 31 December 2018 or 31 December 2017.

RALPH PETERS & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2018 £	2017 £	Company 2018 £	2017 £
Plant and equipment	3,172,991	2,649,747	-	-
Fixtures and fittings	10,916	-	-	-
Motor vehicles	231,056	54,992	-	-
	<u>3,414,963</u>	<u>2,704,739</u>	<u>-</u>	<u>-</u>
Depreciation charge for the year in respect of leased assets	<u>721,743</u>	<u>941,036</u>	<u>-</u>	<u>-</u>

10 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	11	-	-	466,561	466,561
Investments in associates		175,351	175,351	-	-
Unlisted investments		69,066	69,066	-	-
		<u>244,417</u>	<u>244,417</u>	<u>466,561</u>	<u>466,561</u>

Movements in fixed asset investments

Group	Shares in group undertakings and participating interests £	Other investments other than loans £	Total £
Cost or valuation			
At 1 January 2018 and 31 December 2018	<u>175,351</u>	<u>69,066</u>	<u>244,417</u>
Carrying amount			
At 31 December 2018	<u>175,351</u>	<u>69,066</u>	<u>244,417</u>
At 31 December 2017	<u>175,351</u>	<u>69,066</u>	<u>244,417</u>

RALPH PETERS & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

10 Fixed asset investments (Continued)

Movements in fixed asset investments Company

Shares in
group
undertakings
£

Cost or valuation

At 1 January 2018 and 31 December 2018

466,561

Carrying amount

At 31 December 2018

466,561

At 31 December 2017

466,561

11 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Frozen Drinks Norge A/S	Straumfjellvegen 1, 5353 Straume, Norway	Distribution of ice drink	Ordinary shares	0.00	99.99
Frutina Limited	Coronation Road, Cressex Business Park, High Wycombe, Buckinghamshire, HP12 3TA, UK	Dormant	Ordinary shares	0.00	99.99
Quench Dispensers Limited	Coronation Road, Cressex Business Park, High Wycombe, Buckinghamshire, HP12 3TA, UK	Dormant	Ordinary shares	0.00	99.99
Quench Limited	Coronation Road, Cressex Business Park, High Wycombe, Buckinghamshire, HP12 3TA, UK	Dormant	Ordinary shares	0.00	99.99
SARL Slush Puppie France	31 Route du Pont aux Pins, 91310 Montlhery, France	Distribution of ice drink	Ordinary shares	0.00	99.99
Slush Puppie Benelux BV	Eikenbos 6, 5531 MZ Bladel, Netherlands	Distribution of ice drink	Ordinary shares	0.00	99.99
Slush Puppie Deutschland GmbH	Alt-Heerdt 104, 40549 Düsseldorf, Germany	Distribution of ice drink	Ordinary shares	0.00	99.99
Slush Puppie Limited	Coronation Road, Cressex Business Park, High Wycombe, Buckinghamshire, HP12 3TA, UK	Manufacture and distribution of Slush ice drink	Ordinary shares	99.99	

RALPH PETERS & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

11 Subsidiaries

(Continued)

All of these subsidiary companies are included in the Group's consolidated accounts.

12 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	6,474,691	3,982,625	7,884	7,884
Equity instruments measured at cost less impairment	69,066	69,066	-	-
Carrying amount of financial liabilities				
Measured at amortised cost	12,458,572	7,680,058	414,939	414,939

13 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Raw materials and consumables	149,142	197,737	-	-
Finished goods and goods for resale	3,683,490	1,937,874	-	-
	3,832,632	2,135,611	-	-

14 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
Amounts falling due within one year:				
Trade debtors	4,966,079	3,117,403	-	-
Corporation tax recoverable	-	3,450	-	-
Other debtors	1,516,619	876,730	7,884	7,884
Prepayments and accrued income	376,375	112,485	-	-
	6,859,073	4,110,068	7,884	7,884

RALPH PETERS & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

15 Creditors: amounts falling due within one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans and overdrafts		174,095	-	-	-
Obligations under finance leases		1,456,132	758,157	-	-
Trade creditors		2,011,734	1,194,613	-	-
Amounts owed to group undertakings		-	-	414,939	414,939
Corporation tax payable		222,335	104,194	-	-
Other taxation and social security		881,881	562,965	-	-
Other creditors		4,664,907	3,384,738	-	-
Accruals and deferred income		2,659,501	1,717,067	-	-
		<u>12,070,585</u>	<u>7,721,734</u>	<u>414,939</u>	<u>414,939</u>

16 Creditors: amounts falling due after more than one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Obligations under finance leases		<u>1,492,203</u>	<u>625,483</u>	<u>-</u>	<u>-</u>

Finance lease liabilities are secured by the assets to which they relate.

17 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2018 £	Liabilities 2017 £
Accelerated capital allowances	<u>31,000</u>	<u>31,000</u>

The company has no deferred tax assets or liabilities.

There were no deferred tax movements in the year.

RALPH PETERS & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

18 Retirement benefit schemes

	2018	2017
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>83,084</u>	<u>93,255</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

19 Share capital

	Group and company	
	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
50,002 Ordinary shares of £1 each	<u>50,002</u>	<u>50,002</u>

RALPH PETERS & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

20 Related party transactions

During the year, the group incurred consultancy costs of £1,285,750 (2017: £1,112,000) for services provided by Eskimo Joe's Limited, a company controlled by M J Peters, a director, and registered in the Isle of Man.

At 31 December 2018, included within other debtors is an amount of £203,046 (2017: £9,140) owed by M J Peters to the company. The maximum amount outstanding on this loan during the year was £203,046 and total repayments amounted to £16,000. This loan was interest-free with no fixed terms for repayment.

At 31 December 2018, the amount due from E A Peters was £28,951 (2017: £5,881). The highest amount due from her during the year was £28,951 (2017: £5,881). This loan was interest-free with no fixed terms for repayment. E A Peters is related to one of the directors.

At 31 December 2018, the amount due from R P Peters was £14,941 (2017: £4,150). The highest amount due from him during the year was £14,941 (2017: £4,150). This loan was interest-free with no fixed terms for repayment. R P Peters is related to one of the directors.

Included in other creditors at 31 December 2018 was an amount of £1,344,245 (2017: £1,344,245) due to Eskimo Joe's Limited, a company incorporated in the Isle of Man and controlled by M J Peters, a director. The loan carries interest at 9% and has no fixed term for repayment.

Included in other debtors at 31 December 2018 was an amount of £795,964 (2017: £513,195) due to Eskimo Joe's Limited, a company incorporated in the U.K. and controlled by M J Peters, a director. L R Peters, a director, is also a director of Eskimo Joe's Limited. This loan was interest-free with no fixed terms for repayment. The group made sales to this company during the year of £525,330 (2017: £1.1m).

The company has taken advantage of the exemption under paragraph 33.1A of FRS 102 Related Party Disclosures not to disclose details of any transactions or balances between the group that have been eliminated on consolidation.

21 Controlling party

The company's ultimate controlling party is M J Peters, by virtue of his majority shareholding in the company.

22 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Within one year	647,885	385,289	-	-
Between two and five years	779,761	247,671	-	-
In over five years	396,667	-	-	-
	<u>1,824,313</u>	<u>632,960</u>	<u>-</u>	<u>-</u>

RALPH PETERS & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

23 Cash generated from group operations

	2018 £	2017 £
Profit for the year after tax	1,093,312	777,658
Adjustments for:		
Taxation charged	489,887	284,749
Finance costs	254,362	312,992
Loss on disposal of tangible fixed assets	26,410	24,411
Amortisation and impairment of intangible assets	828,784	828,785
Depreciation and impairment of tangible fixed assets	1,841,343	1,253,797
Movements in working capital:		
(Increase) in stocks	(1,697,021)	(337,524)
(Increase) in debtors	(2,524,688)	(465,001)
Increase in creditors	3,358,640	1,266,504
Cash generated from operations	3,671,029	3,946,371