Company Registration No. 02268310 (England and Wales)

RALPH PETERS & SONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

RALPH PETERS & SONS LIMITED

COMPANY INFORMATION

Directors	M J Peters L R 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

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4
Directors' responsibilities statement	5
Independent auditor's report	6 - 8
Profit and loss account	9
Statement of comprehensive income	10
Group balance sheet	11
Company balance sheet	12
Group statement of changes in equity	13
Company statement of changes in equity	14
Group statement of cash flows	15
Notes to the financial statements	16 - 34

RALPH PETERS & SONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

During 2019 the group made investments via an acquisition of a Swiss distributor and also of a distributor of ice cream machines in Germany in order to expand our presence in this key market.

The business in the UK was impacted by the weather in 2019 compared to 2018 and 2017, with above average rainfall in March and then most months from June onwards.

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.

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 23.7% (2018:increase of 48.5%)
- Gross Profit – which increased by 2.3% (2018: increase of 40.8%)
- Net loss before tax of £294k (2018 - profit £1,583k)

Principal Risks and Uncertainties Business Risk

The Directors believe that the main business risks are identified below along with 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 as well as business channels 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 our brand partners could reduce our 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. We continue to invest in system improvements to drive efficiencies to accommodate such an eventuality.
- Increasing commodity demand and pricing could impact our profitability. Input costs are a relatively small proportion of the company'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 company 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 therefore sales. To mitigate this risk, the company 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 company 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 in 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 company'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 practises are used in the business. The company also has access to finance 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.

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
4 August 2021

RALPH PETERS & SONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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

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, Frozen Brothers 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 (Retired 11 February 2021)

Results and dividends
The results for the year are set out on page 9.

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.

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.

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

4 August 2021

RALPH PETERS & SONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

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 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.

RALPH PETERS & SONS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RALPH PETERS & SONS LIMITED

Qualified Opinion

We have audited the consolidated financial statements of Ralph Peters and Sons Limited (the 'parent company') and its subsidiaries ('the group') for the year ended 31 December2019, which comprise the Strategic Report, profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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, except for the effects of the matter described in the *Basis for qualified* opinion section of our report, 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 2019 and of the group's loss 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 qualified opinion

The group investments include foreign subsidiary companies registered in the Netherlands and Germany. Due to the size of these entities, these subsidiaries are not required to have an audit in their local jurisdictions, and as such we have not been able to rely on the work of the component auditors. Our audit approach anticipated carrying out audit work directly on the subsidiary accounts in these cases. However, due to the impact of Covid19 on the group, it was not possible to obtain sufficient information to carry out audit testing on some areas of the accounts of these entities. We were unable to obtain sufficient appropriate audit evidence in relation to stock, debtors and creditors in these two subsidiaries.

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 qualified 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.

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

4 August 2021
Sanderson House
Station Road
Horsforth
Leeds
LS18 5NT

RALPH PETERS & SONS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Turnover	3	41,831,127	33,808,379
Cost of sales		(22,286,601)	(14,698,583)
Gross profit		19,544,526	19,109,796
Administrative expenses		(19,507,221)	(17,272,235)
Operating profit	4	37,305	1,837,561
Interest receivable and similar income	7	7	-
Interest payable and similar expenses	8	(331,436)	(254,362)
(Loss)/profit before taxation		(294,124)	1,583,199
Tax on (loss)/profit	9	(83,156)	(489,887)
(Loss)/profit for the financial year		(377,280)	1,093,312
(Loss)/profit for the financial year is attributable to:			
- Owners of the parent company		(374,502)	1,093,312
- Non-controlling interests		(2,778)	-
		(377,280)	1,093,312

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 2019

	2019 £	2018 £
(Loss)/profit for the year	(377,280)	1,093,312
Other comprehensive income		
Currency translation differences	258,514	(7,986)
Total comprehensive income for the year	(118,766)	1,085,326
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	(115,988)	1,085,326
- Non-controlling interests	(2,778)	-
	(118,766)	1,085,326

RALPH PETERS & SONS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Goodwill	**10**		313,143		230,154
Tangible assets	**11**		8,955,735		7,005,144
Investments	**12**		330,097		244,417
			9,598,975		7,479,715
Current assets					
Stocks	**14**	4,495,658		3,832,632	
Debtors	**15**	7,905,315		6,859,073	
Cash at bank and in hand		3,100,653		1,544,338	
		15,501,626		12,236,043	
Creditors: amounts falling due within one year	**16**	(17,003,448)		(12,070,585)	
Net current (liabilities)/assets			(1,501,822)		165,458
Total assets less current liabilities			8,097,153		7,645,173
Creditors: amounts falling due after more than one year	**17**		(2,020,949)		(1,492,203)
Provisions for liabilities	**19**		(73,000)		(31,000)
Net assets			6,003,204		6,121,970
Capital and reserves					
Called up share capital	**21**		50,002		50,002
Profit and loss reserves			5,955,980		6,071,968
Equity attributable to owners of the parent company			6,005,982		6,121,970
Non-controlling interests			(2,778)		-
			6,003,204		6,121,970

The financial statements were approved by the board of directors and authorised for issue on 4 August 2021 and are signed on its behalf by:

L R Peters
Director

RALPH PETERS & SONS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Investments	**12**		466,561		466,561
Current assets					
Debtors	**15**	7,884		7,884	
Creditors: amounts falling due within one year	**16**	(414,939)		(414,939)	
Net current liabilities			(407,055)		(407,055)
Total assets less current liabilities			59,506		59,506
Capital and reserves					
Called up share capital	**21**		50,002		50,002
Profit and loss reserves			9,504		9,504
Total equity			59,506		59,506

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 (2018 - £0 profit).

The financial statements were approved by the board of directors and authorised for issue on 4 August 2021 and are signed on its behalf by:

L R Peters
Director

Company Registration No. 02268310

RALPH PETERS & SONS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
	£	£	£	£	£
Balance at 1 January 2018	50,002	4,986,642	5,036,644	-	5,036,644
Year ended 31 December 2018:					
Profit for the year	-	1,093,312	1,093,312	-	1,093,312
Other comprehensive income:					-
Currency translation differences	-	(7,986)	(7,986)	-	(7,986)
Total comprehensive income for the year	-	1,085,326	1,085,326	-	1,085,326
Balance at 31 December 2018	50,002	6,071,968	6,121,970	-	6,121,970
Year ended 31 December 2019:					
Loss for the year	-	(374,502)	(374,502)	(2,778)	(377,280)
Other comprehensive income:					
Currency translation differences	-	258,514	258,514	-	258,514
Total comprehensive income for the year	-	(115,988)	(115,988)	(2,778)	(118,766)
Balance at 31 December 2019	50,002	5,955,980	6,005,982	(2,778)	6,003,204

RALPH PETERS & SONS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2018	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
Year ended 31 December 2019:			
Profit and total comprehensive income for the year	-	-	-
Balance at 31 December 2019	50,002	9,504	59,506

RALPH PETERS & SONS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Cash flows from operating activities					
Cash generated from operations	**25**		6,682,352		3,671,029
Interest paid			(331,436)		(254,362)
Income taxes paid			(310,550)		(368,296)
Net cash inflow from operating activities			6,040,366		3,048,371
Investing activities					
Purchase of intangible assets		(313,143)		-	
Purchase of tangible fixed assets		(4,675,898)		(3,979,371)	
Proceeds on disposal of tangible fixed assets		(13,726)		140,536	
Proceeds on disposal of subsidiaries		(85,680)		-	
Proceeds from other investments and loans		(102,809)		(227,767)	
Interest received		7		-	
Net cash used in investing activities			(5,191,249)		(4,066,602)
Financing activities					
Payment of finance leases obligations		622,779		1,564,695	
Net cash generated from financing activities			622,779		1,564,695
Net increase in cash and cash equivalents			1,471,896		546,464
Cash and cash equivalents at beginning of year			1,370,243		831,765
Effect of foreign exchange rates			258,514		(7,986)
Cash and cash equivalents at end of year			3,100,653		1,370,243
Relating to:					
Cash at bank and in hand			3,100,653		1,544,338
Bank overdrafts included in creditors payable within one year			-		(174,095)

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 a mounts 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 2019. 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.

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	Enter depreciation rate via StatDB - cd198
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.

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.

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 and cash equivalents

Cash and cash equivalents 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.

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.

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.

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.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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 in the period are included in profit or loss.

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:

	2019	2018
	£	£
Other significant revenue		
Interest income	7	-

3 Turnover and other revenue (Continued)

	2019	2018
	£	£
Turnover analysed by geographical market		
UK	24,831,573	23,583,901
Rest of EU	16,858,012	9,836,578
Rest of World	141,542	387,900
	41,831,127	33,808,379

4 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	75,224	26,879
Research and development costs	119,199	71,336
Depreciation of owned tangible fixed assets	989,610	1,119,600
Depreciation of tangible fixed assets held under finance leases	1,583,669	721,743
Loss on disposal of tangible fixed assets	165,754	26,410
Amortisation of intangible assets	230,154	828,784
Cost of stocks recognised as an expense	18,601,187	11,454,868
Operating lease charges	91,150	-

5 Auditor's remuneration

	2019	2018
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	45,612	39,819
	50,612	44,819
For other services		
Taxation compliance services	1,825	1,665
All other non-audit services	4,120	49,395
	5,945	51,060

6 Employees

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

	Group		Company	
	2019	2018	2019	2018
	Number	Number	Number	Number
Administration	35	34	-	-
Selling and distribution	50	43	-	-
Production	24	11	-	-
Service technicians	65	54	-	-
Total	174	142	-	-

Their aggregate remuneration comprised:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Wages and salaries	8,166,988	6,753,136	-	-
Social security costs	581,033	701,344	-	-
Pension costs	129,104	83,084	-	-
	8,877,125	7,537,564	-	-

7 Interest receivable and similar income

	2019	2018
	£	£
Interest income		
Interest on bank deposits	7	-
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	7	-

8 Interest payable and similar expenses

	2019	2018
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	19,561	12,200
Other finance costs:		
Interest on finance leases and hire purchase contracts	311,875	121,525
Other interest	-	120,637
Total finance costs	331,436	254,362

9 **Taxation**

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	41,000	479,549
Adjustments in respect of prior periods	156	451
Total UK current tax	41,156	480,000
Foreign current tax on profits for the current period	-	9,887
Total current tax	41,156	489,887
Deferred tax		
Origination and reversal of timing differences	42,000	-
Total tax charge	83,156	489,887

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019	2018
	£	£
(Loss)/profit before taxation	(294,124)	1,583,199
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(55,884)	300,808
Tax effect of expenses that are not deductible in determining taxable profit	28,885	43,898
Depreciation on assets not qualifying for tax allowances	(7,274)	(3,333)
Research and development tax credit	-	(90,250)
Effect of overseas tax rates	66,405	178,160
Adjustments to tax charge in respect of previous periods	(156)	(451)
Other differences and tax roundings	51,180	61,055
Taxation charge	83,156	489,887

10 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 January 2019	5,955,492
Additions	313,143
At 31 December 2019	6,268,635
Amortisation and impairment	
At 1 January 2019	5,725,338
Amortisation charged for the year	230,154
At 31 December 2019	5,955,492
Carrying amount	
At 31 December 2019	313,143
At 31 December 2018	230,154

The company had no intangible fixed assets at 31 December 2019 or 31 December 2018.

11 Tangible fixed assets

Group	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2019	422,865	13,046,921	606,810	4,802	483,119	14,564,517
Additions	-	4,529,401	134,931	(276)	11,842	4,675,898
Disposals	-	(697,388)	-	-	-	(697,388)
At 31 December 2019	422,865	16,878,934	741,741	4,526	494,961	18,543,027
Depreciation and impairment						
At 1 January 2019	143,093	6,923,295	295,246	715	197,024	7,559,373
Depreciation charged in the year	41,434	2,410,537	133,242	(41)	(11,893)	2,573,279
Eliminated in respect of disposals	-	(536,534)	-	-	(8,826)	(545,360)
At 31 December 2019	184,527	8,797,298	428,488	674	176,305	9,587,292
Carrying amount						
At 31 December 2019	238,338	8,081,636	313,253	3,852	318,656	8,955,735
At 31 December 2018	279,772	6,123,626	311,564	4,087	286,095	7,005,144

The company had no tangible fixed assets at 31 December 2019 or 31 December 2018.

11 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		Company	
	2019	2018	2019	2018
	£	£	£	£
Plant and equipment	3,991,669	3,172,991	-	-
Fixtures and fittings	-	10,916	-	-
Motor vehicles	-	231,056	-	-
	3,991,669	3,414,963	-	-
Depreciation charge for the year in respect of leased assets	1,583,669	721,743	-	-

12 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	13	85,680	-	466,561	466,561
Investments in associates		175,351	175,351	-	-
Unlisted investments		69,066	69,066	-	-
		330,097	244,417	466,561	466,561

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 2019	175,351	69,066	244,417
Additions	735,378	-	735,378
At 31 December 2019	910,729	69,066	979,795
Carrying amount			
At 31 December 2019	910,729	69,066	979,795
At 31 December 2018	175,351	69,066	244,417

12 Fixed asset investments **(Continued)**

Movements in fixed asset investments

Company	**Shares in group undertakings**
	£
Cost or valuation	
At 1 January 2019 and 31 December 2019	466,561
Carrying amount	
At 31 December 2019	466,561
At 31 December 2018	466,561

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	**Registered office**	**Nature of business**	**Class of shares held**	**% Held Direct**	**Indirect**
Frozen Drinks Norge A/S	Straumsfjellvegen 1, 5353 Straume, Norway	Distribution of ice drink	Ordinary shares	0.00	90.00
Frutina Limited	Coronation Road, Cressex Business Park, High Wycombe, Buckinghamshire, HP12 3TA, UK	Dormant	Ordinary shares	0.00	90.00
Quench Dispensers Limited	Coronation Road, Cressex Business Park, High Wycombe, Buckinghamshire, HP12 3TA, UK	Dormant	Ordinary shares	0.00	90.00
Quench Limited	Coronation Road, Cressex Business Park, High Wycombe, Buckinghamshire, HP12 3TA, UK	Dormant	Ordinary shares	0.00	90.00
SARL Slush Puppie France	31 Route du Pont aux Pins, 91310 Montlhery, France	Distribution of ice drink	Ordinary shares	0.00	90.00
Slush Puppie Benelux BV	Eikenbos 6, 5531 MZ Bladel, Netherlands	Distribution of ice drink	Ordinary shares	0.00	90.00
Slush Puppie Deutschland GmbH	Alt-Heerdt 104, 40549 Düsseldorf, Germany	Distribution of ice drink	Ordinary shares	0.00	90.00
Frozen Brothers Limited	Coronation Road, Cressex Business Park, High Wycombe, Buckinghamshire, HP12 3TA, UK	Manufacture and distribution of Slush ice drink	Ordinary shares	90.00	

13 Subsidiaries **(Continued)**

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

14 Stocks

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Raw materials and consumables	418,336	149,142	-	-
Finished goods and goods for resale	4,077,322	3,683,490	-	-
	4,495,658	3,832,632	-	-

15 Debtors

	Group		Company	
	2019	2018	2019	2018
Amounts falling due within one year:	£	£	£	£
Trade debtors	5,638,592	4,966,079	-	-
Corporation tax recoverable	60,059	-	-	-
Other debtors	1,958,476	1,516,619	7,884	7,884
Prepayments and accrued income	248,188	376,375	-	-
	7,905,315	6,859,073	7,884	7,884

16 Creditors: amounts falling due within one year

		Group		Company	
		2019	2018	2019	2018
	Notes	£	£	£	£
Bank loans and overdrafts		-	174,095	-	-
Obligations under finance leases	18	1,550,166	1,456,132	-	-
Trade creditors		7,266,938	2,011,734	-	-
Amounts owed to group undertakings		-	-	414,939	414,939
Corporation tax payable		13,000	222,335	-	-
Other taxation and social security		843,242	881,881	-	-
Other creditors		5,388,951	4,664,907	-	-
Accruals and deferred income		1,941,151	2,659,501	-	-
		17,003,448	12,070,585	414,939	414,939

17 Creditors: amounts falling due after more than one year

	Notes	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Obligations under finance leases	18	2,020,949	1,492,203	-	-

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

18 Finance lease obligations

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Future minimum lease payments due under finance leases:				
Within one year	1,822,263	1,519,328	-	-
In two to five years	1,999,297	1,659,933	-	-
	3,821,560	3,179,261	-	-
Less: future finance charges	(250,445)	(230,926)	-	-
	3,571,115	2,948,335	-	-

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

19 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 2019 £	Liabilities 2018 £
Accelerated capital allowances	73,000	31,000

The company has no deferred tax assets or liabilities.

19 Deferred taxation (Continued)

Movements in the year:	Group 2019 £	Company 2019 £
Liability at 1 January 2019	31,000	-
Charge to profit or loss	42,000	-
Liability at 31 December 2019	73,000	-

20 Retirement benefit schemes

Defined contribution schemes	2019 £	2018 £
Charge to profit or loss in respect of defined contribution schemes	129,104	83,084

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.

21 Share capital

	Group and company	
	2019	2018
Ordinary share capital	£	£
Issued and fully paid		
50,002 Ordinary shares of £1 each	50,002	50,002

22 Related party transactions

During the year, the group incurred consultancy costs of £1,107,000 (2018: £1,285,750) 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 1 December 2019, there was an opening balance in other debtors of £203,046 in respect of a loan from the group to one of the directors, M J Peters. This loan was repaid in full during the year. Further advances were made to the director during the year and the maximum amount outstanding during the year was £203,046. The loan from the group to the director at the balance sheet date was £30,808. Interest was charged on overdrawn amounts at 2.5%.

At 31 December 2019, the amount due from E A Peters was £215,261 (2018: £28,951). The highest amount due from her during the year was £215,261 (2018:£28,951). This loan was interest-free with no fixed terms for repayment. E A Peters is related to one of the directors.

At 31 December 2019, the amount due from R P Peters was £103,678 (2018: £14,941). The highest amount due from him during the year was £103,678 (2018: £14,941). 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 2019 was an amount of £1,344,245 (2018: £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 2019 was an amount of £780,875 (2018: £766,541) 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 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.

23 Controlling party

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

24 Operating lease commitments

Lessee

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		Company	
	2019	2018	2019	2018
	£	£	£	£
Within one year	711,010	693,043	-	-
Between two and five years	793,729	843,962	-	-
In over five years	74,638	396,667	-	-
	1,579,377	1,933,672	-	-

25 Cash generated from group operations

	2019	2018
	£	£
(Loss)/profit for the year after tax	(377,280)	1,093,312
Adjustments for:		
Taxation charged	83,156	489,887
Finance costs	331,436	254,362
Investment income	(7)	-
Loss on disposal of tangible fixed assets	165,754	26,410
Amortisation and impairment of intangible assets	230,154	828,784
Depreciation and impairment of tangible fixed assets	2,573,279	1,841,343
Movements in working capital:		
(Increase) in stocks	(663,026)	(1,697,021)
(Increase) in debtors	(883,373)	(2,513,180)
Increase in creditors	5,222,259	3,347,132
Cash generated from operations	6,682,352	3,671,029

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.