

Financial Statements

Vegetarian Express Limited

For the Year Ended 31 March 2017



Registered number: 02793607

Statement of Financial Position

As at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	251,885	169,999
		<u>251,885</u>	<u>169,999</u>
Current assets			
Stocks	5	394,586	433,179
Debtors: amounts falling due within one year	6	3,882,984	1,695,332
Cash at bank and in hand	7	1,872,298	2,205,870
		<u>6,149,868</u>	<u>4,334,381</u>
Creditors: amounts falling due within one year	8	(2,175,482)	(1,380,324)
Net current assets		<u>3,974,386</u>	<u>2,954,057</u>
Total assets less current liabilities		<u>4,226,271</u>	<u>3,124,056</u>
Provisions for liabilities			
Deferred tax		(18,717)	(19,200)
Other provisions	9	(120,642)	-
		<u>(139,359)</u>	<u>(19,200)</u>
Net assets		<u>4,086,912</u>	<u>3,104,856</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		4,086,812	3,104,756
		<u>4,086,912</u>	<u>3,104,856</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 December 2017.

J Melville-Jackson
 Director

The notes on pages 2 to 9 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2017

1. General information

Vegetarian Express Limited is a private company limited by shares and registered in England and Wales. Its registered office is located at 7a Odhams Trading Estate, St Albans Road, Watford, Herts, United Kingdom, WD24 7RY.

2. Accounting Policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

These financial statements are the company's first in accordance with FRS102.

The following principal accounting policies have been applied:

2.2 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Notes to the Financial Statements

For the Year Ended 31 March 2017

2. Accounting Policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Long-term leasehold property	-	straight line over the terms of the leases
Plant and machinery	-	25% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	25% straight line

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

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

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.5 Debtors

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

2.6 Cash and cash equivalents

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

2.7 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or

Notes to the Financial Statements

For the Year Ended 31 March 2017

2. Accounting Policies (continued)

2.7 Financial instruments (continued)

received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Notes to the Financial Statements

For the Year Ended 31 March 2017

2. Accounting Policies (continued)

2.7 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Creditors

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

2.9 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.10 Pensions

Defined contribution pension plan

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

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

2.11 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

Notes to the Financial Statements

For the Year Ended 31 March 2017

2. Accounting Policies (continued)

2.12 Provisions for liabilities

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

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

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.13 Current and deferred taxation

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

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

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

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

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

2.14 Restatement of comparative amounts in the Statement of Comprehensive Income

The Directors have reviewed their treatment of what is included in cost of sales compared with the previous year. The directors believe the most appropriate presentation is to include all costs associated with purchases of goods for resale, storage costs including warehousing, distribution of goods both inwards and outwards and other direct costs involved in operations which directly generate revenue for the business as cost of sales. Previously cost of sales included only the purchases of goods for resale. Accordingly, the directors have changed their policy with respect to classification of cost of sales. This has been applied retrospectively so the accounting policies have been applied consistently in accordance with FRS102.

Notes to the Financial Statements

For the Year Ended 31 March 2017

3. Employees

The average monthly number of employees, including directors, during the year was 48 (2016 - 46).

4. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 April 2016	259,789	26,118	30,529	80,118	396,554
Additions	119,914	-	-	33,692	153,606
Disposals	-	-	-	(13,389)	(13,389)
At 31 March 2017	<u>379,703</u>	<u>26,118</u>	<u>30,529</u>	<u>100,421</u>	<u>536,771</u>
Depreciation					
At 1 April 2016	138,553	19,567	13,356	55,079	226,555
Charge for the period on owned assets	40,823	3,530	6,307	21,060	71,720
Disposals	-	-	-	(13,389)	(13,389)
At 31 March 2017	<u>179,376</u>	<u>23,097</u>	<u>19,663</u>	<u>62,750</u>	<u>284,886</u>
Net book value					
At 31 March 2017	<u>200,327</u>	<u>3,021</u>	<u>10,866</u>	<u>37,671</u>	<u>251,885</u>
At 31 March 2016	<u>121,236</u>	<u>6,551</u>	<u>17,173</u>	<u>25,039</u>	<u>169,999</u>

5. Stocks

	2017 £	2016 £
Food ingredients	<u>394,586</u>	<u>433,179</u>

6. Debtors

	2017 £	2016 £
Trade debtors	2,090,360	1,576,600
Amounts owed by group undertakings	1,615,431	-
Other debtors	177,193	118,732

Notes to the Financial Statements

For the Year Ended 31 March 2017

6. Debtors (continued)

	3,882,984	1,695,332
	<u> </u>	<u> </u>

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	1,872,298	2,205,870
	<u> </u>	<u> </u>

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	1,614,411	1,008,674
Corporation tax	210,591	309,053
Other taxation and social security	51,507	-
Other creditors	83,407	-
Accruals and deferred income	215,566	62,597
	<u>2,175,482</u>	<u>1,380,324</u>

9. Provisions

	Dilapidation provision £
At 1 April 2016	-
Charged to profit or loss	120,642
At 31 March 2017	<u>120,642</u>

10. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The value of £11,083 (2016: £4,828) was contributions payable by the company for the year.

There were no amounts unpaid at the year end.

Notes to the Financial Statements

For the Year Ended 31 March 2017

11. Controlling party

The ultimate parent company is Vegetarian Express Topco Limited, by virtue of their 100% shareholding rights in their immediate parent company, Vegetarian Express Bidco Limited.

The controlling party is Bridges Ventures Fund III LP given their 63% shareholding in Vegetarian Express Topco Limited.

12. Related party transactions

As a wholly owned subsidiary of Vegetarian Express Topco Limited, the company is exempt from the requirement to disclose transactions with other members of the group headed by Vegetarian Express Topco Limited.

During the year the company incurred costs of £54,222 (2016: 6,000) payable to David Jonas, a Director, in relation to management services and rent of the company's former head office.

The company incurred costs of £33,959 (2016: £Nil) payable to Tim Kelly, a Director, in relation to management services in the period.

The company incurred costs of £2,187 (2016: £Nil) payable to Evaniam Consulting Limited, a company owned and controlled by James Melville-Jackson, a Director, in relation to management services in the period.

The company incurred also costs of £15,000 (2016: £Nil) payable to Bridges Ventures Fund III LP, the ultimate controlling party, in relation to a service charge for the period.

13. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

14. Auditor's information

The auditors report on the accounts for the year ended 31 March 2017 was unqualified.

The audit report was signed by Jeremy Read (Senior Statutory Auditor) on behalf of Grant Thornton UK LLP.