

# **Alatoni Limited**

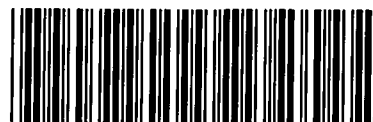
Annual Report and Financial Statements

Year Ended

31 March 2018

Company Number 02997024

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# Alatoni Limited

## Company Information

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<b>Directors</b>	S J Higginson D J Shaw M J Lane
<b>Company secretary</b>	D J Kimber
<b>Registered number</b>	02997024
<b>Registered office</b>	Granville House Gatton Park Business Centre Wells Place Redhill Surrey RH1 3AS
<b>Independent auditors</b>	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA
<b>Bankers</b>	HSBC Bank Plc City of London Corporate Banking Centre 60 Queen Victoria Street London EC4N 4TR
<b>Solicitors</b>	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF

# Alatoni Limited

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# Alatoni Limited

## Strategic Report For the Year Ended 31 March 2018

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The directors present their Strategic Report for the year ended 31 March 2018.

### **Business review and key performance indicators**

For the year under review the directors are satisfied with the performance of the Company. The Company has assisted The Compleat Food Group Limited in further consolidating its position as a major contributor to the food retail sector.

The directors manage the performance of the Company primarily through sales volume, gross margin and underlying overheads.

Turnover has increased by 12% compared to 2017 due to growth within the product range and a reallocation of production and new customers within the group. The Company's operating profit has remained in line with prior year, however operating profit margin percentage has fallen as raw material and currency inflation continues to put pressure on our business and overheads are consistent year on year.

The retail environment continues to demand highly efficient supply chains that are able to deliver superior quality and service. We partner with our supply base and invest in our technical and distribution capability in order to meet those demands. We continue to focus on product development in order to bring new experiences to our consumers so that the categories we focus on grow over the long-term. There continues to be uncertainty as to the outcome of Brexit negotiations.

The Company operates one of the Group's manufacturing sites in the UK. The Group has positioned itself to meet the market challenges by:

- investment in innovation and product development - the Group's investment in innovation and product development is fully embedded within the organisation and we continue to drive food innovation within our chosen categories;
- insight – we enhance our customer service by using all available information to understand our consumers and deliver added value to our customers;
- investment in agriculture and welfare, our technical team continue to be at the forefront of improving animal welfare standards; and,
- using, and enhancing, our technological platform and business processes to ensure customer service level requirements are achieved.

### **Principal risks and uncertainties**

The directors have identified that product quality and continuity of supply are key business risks faced by the business. Close technical management of procurement and our production site ensures we maintain our position at the leading edge of food safety and quality. Through understanding the dynamics of supply and demand, and daily management of stock, we maximise our ability to meet customer demand and minimise our exposure to stock wastage.

# Alatoni Limited

## Strategic Report (continued) For the Year Ended 31 March 2018

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### Financial instruments

The directors consider that the Company's principal financial instruments comprise trade debtors, balances with fellow subsidiary companies and trade creditors.

The Company has limited exposure to credit risk as its debtors comprise mainly inter-group balances which are managed by the directors on the basis of the requirements within the group.

The Company's cash flow is managed on a daily basis via group funding arrangements to ensure adequate funds are available to settle trade creditors. The directors thus consider the exposure to liquidity risk to be small. The Company sources a majority of its supplies from overseas producers and is thus exposed to foreign exchange transaction risk. The directors mitigate this risk at group level with the use of forward currency contracts that are negotiated with the group's bankers.

This report was approved by the board on *20 July 2018* and signed on its behalf.



**M J Lane**  
Director

# **Alatoni Limited**

## **Directors' Report For the Year Ended 31 March 2018**

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The directors present their report together with the audited financial statements for the year ended 31 March 2018.

### **Principal activities**

The principal activity of the Company during the period under review was that of food manufacturing.

The profit for the year, after taxation, amounted to £507,000 (2017 -£523,000).

The directors do not recommend a final dividend (2017 - £Nil).

### **Going concern**

The directors have reviewed the financial position and future prospects of the Company, and given the financial strength within the Statement of Financial Position and integral position within the group, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and, as such, have concluded that it is appropriate to continue to prepare the financial statements on a going concern basis.

### **Directors**

The directors who served during the year were:

M J Lane  
S J Higginson  
D J Shaw

### **Directors' qualifying third party indemnity provision**

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the companies Act 2006. Such qualifying third party indemnity provisions remain in force as at the date of approving the Directors' Report.

### **Disabled employees**

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

### **Employee involvement**

The Company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. During the period, the policy of providing employees with information about the Company has been continued through the group newsletter 'The Compleat Account', group intranet and quarterly Company update presentations, in which employees have also been encouraged to present their suggestions and views on the group's performance. Regular meetings are held between the management team and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business through the Company's bonus arrangements, and certain senior management hold shares in the ultimate parent company.

# Alatoni Limited

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

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### Disclosure of information to auditors

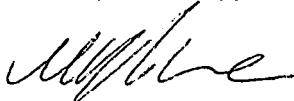
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

### Auditors

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

This report was approved by the board on *20 July 2018* and signed on its behalf.



**M J Lane**  
Director

# **Alatoni Limited**

## **Directors' Responsibilities Statement For the Year Ended 31 March 2018**

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The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 Company and of the profit or loss of the Company for that period.

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

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

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



# **Alatoni Limited**

## **Independent Auditor's Report to the Members of Alatoni Limited**

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### **Opinion**

We have audited the financial statements of Alatoni Limited ("the Company") for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 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.

# **Alatoni Limited**

## **Independent Auditor's Report to the Members of Alatoni Limited (continued)**

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### **Other information**

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

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

We have nothing to report in this regard.

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

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Directors' Report.

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

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

# Alatoni Limited

## Independent Auditor's Report to the Members of Alatoni Limited (continued)

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### 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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.

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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



**David Eagle** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Gatwick  
United Kingdom

Date: 20 July 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Alatoni Limited

## Statement of Comprehensive Income For the Year Ended 31 March 2018

	Note	2018 £000	2017 £000
Turnover	4	10,980	9,784
Cost of sales		(8,663)	(8,005)
<b>Gross profit</b>		<b>2,317</b>	<b>1,779</b>
Administrative expenses		(1,687)	(1,150)
<b>Operating profit</b>		<b>630</b>	<b>629</b>
Tax on profit on ordinary activities	8	(123)	(106)
<b>Profit for the financial year</b>		<b>507</b>	<b>523</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>507</b>	<b>523</b>

The notes on pages 12 to 24 form part of these financial statements.

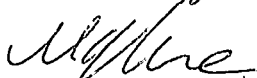
**Alatoni Limited**  
Registered number: 02997024

**Statement of Financial Position**  
**As at 31 March 2018**

	Note	2018 £000	2017 £000
<b>Fixed assets</b>			
Tangible assets	10	617	895
<b>Current assets</b>			
Stocks	11	1,244	1,407
Debtors: amounts falling due within one year	12	8,965	7,959
Cash at bank and in hand	13	516	501
		<u>10,725</u>	<u>9,867</u>
Creditors: amounts falling due within one year	14	(7,033)	(6,956)
<b>Net current assets</b>		<u>3,692</u>	<u>2,911</u>
<b>Total assets less current liabilities</b>		<u>4,309</u>	<u>3,806</u>
<b>Provisions for liabilities</b>			
Deferred taxation	16	(36)	(40)
<b>Net assets</b>		<u><u>4,273</u></u>	<u><u>3,766</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	-	-
Share premium account	18	47	47
Profit and loss account	18	4,226	3,719
		<u><u>4,273</u></u>	<u><u>3,766</u></u>

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

on 20 July 2018



**M J Lane**  
Director

The notes on pages 12 to 24 form part of these financial statements.

# Alatoni Limited

## Statement of Changes in Equity For the Year Ended 31 March 2018

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 April 2017	-	47	3,719	3,766
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	507	507
<b>Total comprehensive income for the year</b>	-	-	507	507
<b>At 31 March 2018</b>	-	47	4,226	4,273

## Statement of Changes in Equity For the Year Ended 31 March 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 April 2016	-	47	3,196	3,243
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	523	523
<b>Total comprehensive income for the year</b>	-	-	523	523
<b>At 31 March 2017</b>	-	47	3,719	3,766

The notes on pages 12 to 24 form part of these financial statements.

# Alatoni Limited

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

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### 1. General information

Alatoni Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the Company's operations and its principal activities is set out in the Strategic Report and the Directors' Report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Financial reporting standard 101 - reduced disclosure exemptions

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by Helsinki Topco Limited.

#### 2.3 Going concern

The directors have reviewed the financial position and future prospects of the Company, and given the financial strength within the Statement of Financial Position and integral position within the group, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and, as such, have concluded that it is appropriate to continue prepare the financial statements on a going concern basis.

#### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. This is considered to be when goods are dispatched. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

# Alatoni Limited

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

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### 2. Accounting policies (continued)

#### 2.5 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following bases:

Plant and machinery	-	20% per annum straight line basis
Office equipment	-	25% per annum straight line basis
Leasehold property	-	over the life of the lease
Computer equipment	-	25% per annum straight line basis

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.

The useful economic lives (UEL) and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The UEL are based on historical experience with similar assets as well as anticipation of future events which may impact their UEL, such as changes in technology. The depreciation basis for Plant and Machinery has been changed in the year from 20% reducing balance to 20% straight line to reflect management's latest estimate of their UEL. This prospective decrease in UEL has had the effect of increasing the depreciation charge in the year.

#### 2.6 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.

#### 2.7 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.

#### 2.8 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.



# Alatoni Limited

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

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### 2. Accounting policies (continued)

#### 2.9 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

##### Financial assets

The Company classifies all of its financial assets as loans and receivables.

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

##### Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

##### At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of Financial Position.

#### 2.10 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

# Alatoni Limited

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

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### 2. Accounting policies (continued)

#### 2.11 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

##### Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within administrative expenses.

#### 2.12 Operating leases

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

#### 2.13 Pensions

##### Defined contribution pension plan

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

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

# Alatoni Limited

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

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### 2. Accounting policies (continued)

#### 2.14 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 reporting 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.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the Company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 10)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

# Alatoni Limited

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

### 4. Turnover

The total turnover of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 5. Operating profit

Operating profit is stated after charging/(crediting):

	2018 £000	2017 £000
Auditors remuneration	12	12
Operating lease rentals:		
- Plant, machinery and equipment	21	21
- Property	90	92
Depreciation of tangible fixed assets	407	172
Exchange difference	55	(11)
Defined contribution pension cost	36	35
	<u>          </u>	<u>          </u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the ultimate parent company.

### 6. Employees

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	1,261	1,647
Social security costs	108	106
Pension costs	36	35
	<u>          </u>	<u>          </u>
	<u>1,405</u>	<u>1,788</u>

Please note, the 2017 wages and salaries included £456,000 of agency labour costs.

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

	2018 No.	2017 No.
Operational	51	52
Administration	5	6
	<u>          </u>	<u>          </u>
	<u>56</u>	<u>58</u>

# Alatoni Limited

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

### 7. Directors' remuneration

For the current year and prior year the directors of the Company are also directors of the parent undertaking and fellow subsidiaries. For both years the directors' remuneration was paid by TCFG Holdings Limited, a fellow subsidiary undertaking. The directors' remuneration is therefore disclosed in the financial statements of those companies. The directors do not believe that it is practicable to apportion this amount between their qualifying services as directors of the Company and their qualifying services as directors of the holding and fellow subsidiary companies.

### 8. Taxation

	2018 £000	2017 £000
<b>Corporation tax</b>		
Adjustments in respect of previous periods	(55)	(23)
Group taxation relief payable	182	135
<b>Total current tax</b>	<b>127</b>	<b>112</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(50)	(8)
Adjustments in respect of previous periods	46	4
Changes to tax rates	-	(2)
<b>Total deferred tax</b>	<b>(4)</b>	<b>(6)</b>
<b>Taxation on profit on ordinary activities</b>	<b>123</b>	<b>106</b>

# Alatoni Limited

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

### 8. Taxation (continued)

#### Factors affecting tax charge for the year

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

	2018 £000	2017 £000
Profit on ordinary activities before tax	630	629
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	120	126
<b>Effects of:</b>		
Other permanently disallowable items	5	1
Changes in tax rates	6	(2)
Adjustments to tax charge in respect of prior periods	(8)	(19)
<b>Total tax charge for the year</b>	<b>123</b>	<b>106</b>

#### Factors that may affect future tax charges

The main rate of corporation tax was reduced from 20% to 19% on 1 April 2017.

It was announced in the March 2016 Budget that the main rate of corporation tax will reduce to 17% with effect from 1 April 2020, and this reduction was substantively enacted on 6 September 2016.

Deferred tax assets and liabilities at the statement of financial position date have been recognised at 17%.

### 9. Goodwill

	2018 £000
<b>Cost</b>	
At 1 April 2017 and 31 March 2018	5
<b>Amortisation</b>	
At 1 April 2017 and 31 March 2018	5
<b>Net book value</b>	
At 31 March 2018 and 31 March 2017	-

# Alatoni Limited

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

### 10. Tangible fixed assets

	Leasehold property £000	Plant and machinery £000	Office equipment £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>					
At 1 April 2017	369	1,837	77	31	2,314
Additions	44	85	-	-	129
At 31 March 2018	413	1,922	77	31	2,443
<b>Depreciation</b>					
At 1 April 2017	69	1,297	41	12	1,419
Charge for the year	53	327	19	8	407
At 31 March 2018	122	1,624	60	20	1,826
<b>Net book value</b>					
At 31 March 2018	291	298	17	11	617
At 31 March 2017	300	540	36	19	895

### 11. Stocks

	2018 £000	2017 £000
Raw materials	1,244	1,407

### 12. Debtors

	2018 £000	2017 £000
Trade debtors	2,179	1,882
Amounts owed by group undertakings	6,703	5,960
Other debtors	44	34
Prepayments and accrued income	39	83
	8,965	7,959

# Alatoni Limited

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

### 13. Cash and cash equivalents

	2018 £000	2017 £000
Cash at bank and in hand	516	501
	<u>516</u>	<u>501</u>

### 14. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	619	845
Amounts owed to group undertakings	5,691	5,541
Other taxation and social security	30	23
Other creditors	36	7
Accruals and deferred income	657	540
	<u>7,033</u>	<u>6,956</u>

### 15. Financial instruments

	2018 £000	2017 £000
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>9,442</u>	<u>8,377</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(7,003)</u>	<u>(6,933)</u>

Financial assets measured at amortised cost comprise cash, trade and other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade and other creditors, accruals and amounts owed to group undertakings.



# Alatoni Limited

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

### 16. Deferred taxation

	2018 £000	2017 £000
At beginning of year	(40)	(46)
Release to profit or loss	50	8
Prior year adjustment	(46)	(4)
Change in tax rates	-	2
<b>At end of year</b>	<b>(36)</b>	<b>(40)</b>

The provision for deferred taxation is made up as follows:

	2018 £000	2017 £000
Accelerated capital allowances	37	40
Retirement benefit obligations	(1)	-
	<b>36</b>	<b>40</b>

### 17. Share capital

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
112 Ordinary shares of £1 each	112	112

### 18. Reserves

The Company's reserves are as follows:

#### Called up share capital

Called up share capital reserve represents the nominal value of the shares issued.

#### Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

#### Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

# Alatoni Limited

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

### 19. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £36,000 (2017 - £35,000). Contributions totalling £Nil (2017 - £Nil) were payable to the fund at the reporting date and are included in creditors.

### 20. Commitments under operating leases

The Company maintains leased equipment and a leased property. The property is held under a 10 year tenant repairing lease with a rent review after 5 years. The equipment leases vary from 2 to 3 years.

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

	2018 £000	2017 £000
Not later than 1 year	95	111
Later than 1 year and not later than 5 years	360	365
Later than 5 years	138	228
	<u>593</u>	<u>704</u>

### 21. Contingent liabilities

The Company, together with fellow subsidiaries, Helsinki Bidco Limited, TCFG Holdings Limited, The Compleat Food Group Limited, Winterbotham Darby & Co Limited, Oomi Noodles Limited, FTQA Limited, Deli Solutions Limited and SSG Logistic Solutions Limited has provided unlimited multilateral and cross guarantees to the bank in respect of their borrowings. The borrowings are secured by charges over the assets of each company. At the reporting date, the overall commitment of the Company in respect of these borrowing is £33,999,000 (2017 - £41,913,000).

### 22. Related party transactions

The Company made purchases of £256,000 (2017 - £Nil) from Deli Solutions Limited, a 96.4% owned fellow subsidiary undertaking during the year to 31 March 2018.

At 31 March 2018, the Company owed Deli Solutions Limited an amount of £71,000 (2017 - was owed £143,000).

# **Alatoni Limited**

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

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### **23. Controlling party**

The immediate parent undertaking of the Company is Winterbotham Darby & Co Limited, a company incorporated in England and Wales. The directors regard Helsinki Topco Limited, a company incorporated in England and Wales, as the ultimate parent undertaking. The largest and smallest group in which the results of the Company are consolidated is that headed by Helsinki Topco Limited. The consolidated financial statements are available from Granville House, Gatton Park Business Centre, Wells Place, Redhill, Surrey, RH1 3AS. No other financial statements include the results of the Company.

The ultimate controlling party is Equistone Partners Europe LLP which manages various funds, holding 49.8% of the issued equity share capital of Helsinki Topco Limited and 51% of the voting rights.