

FSC Direct Limited

Registered number: 05331072

Filleled accounts

For the year ended 30 June 2018

BALANCE SHEET
AS AT 30 JUNE 2018

	Note	2018 £	2017 £
Current assets			
Debtors: amounts falling due within one year	4	1,797,157	1,586,585
Cash at bank and in hand	5	35,546	53,581
		<u>1,832,703</u>	<u>1,640,166</u>
Creditors: amounts falling due within one year	6	(1,807,189)	(1,617,402)
Net current assets		25,514	22,764
Total assets less current liabilities		<u>25,514</u>	<u>22,764</u>
Net assets		<u>25,514</u>	<u>22,764</u>
Capital and reserves			
Called up share capital		94	94
Profit and loss account		25,420	22,670
		<u>25,514</u>	<u>22,764</u>

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 28 March 2019.

P M James
Director

The notes on pages 2 to 6 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

1. General information

FSC Direct Ltd is a private company limited by shares and incorporated in England & Wales, registered number 05331072. The registered office is C/O FSC Cheddar Business Park, Wedmore Road, Cheddar, Somerset, BS27 3EB. The principal activities of the company are to purchase and supply various food products to retailers for resale.

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.

The financial information in these financial statements relates to the year ended 30 June 2018 and the comparative information relates to the year ended 30 June 2017. The financial statements are rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 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 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

2. Accounting policies (continued)

2.3 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. Revenue 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 revenue is recognised:

Sale of goods

Revenue 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 revenue 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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

2. Accounting policies (continued)

2.6 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.

2.7 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.

2.8 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 Financial instruments

The company only enters into basic financial instrument 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 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 the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

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

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 balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

2. Accounting policies (continued)

2.9 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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.

3. Employees

The average monthly number of employees, including directors, during the year was 7 (2017 - 6).

4. Debtors

	2018	2017
	£	£
Trade debtors	787,917	601,236
Amounts owed by group undertakings	37,566	38,551
Amounts owed by joint ventures and associated undertakings	830,276	849,276
Prepayments and accrued income	89,897	50,192
Tax recoverable	51,501	47,330
	<u>1,797,157</u>	<u>1,586,585</u>

5. Cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	35,546	53,581
	<u>35,546</u>	<u>53,581</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

6. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	179,220	109,650
Amounts owed to group undertakings	1,194,242	1,039,218
Corporation tax	645	2,027
Proceeds of factored debts	392,788	453,749
Accruals and deferred income	40,294	12,758
	<u>1,807,189</u>	<u>1,617,402</u>

7. Directors' personal guarantees

The directors have provided personal guarantees totalling £100,000.

8. Related party transactions

FSC Direct Limited is a subsidiary of FSC Group Limited. FSC Group Limited is under the control of the Simpson family who also control Foodservice Quality Foods Limited. The registered office of FSC Group Limited is Cheddar Business Park, Wedmore Road, Cheddar, Somerset, BS27 3EB.

At the year end £49,400 (2017: £49,400) was due to FSC Group Limited. This amount is included within creditors.

During the year the company charged £330,000 (2017: £95,500) in respect of management charge to Foodservice Quality Foods Limited. During the year Foodservice Quality Foods Limited charged the company £Nil (2017: £25,000) for management services. At the year end £830,276 (2017: £849,276) was owed from Foodservice Quality Foods Limited. This amount is included within debtors.

The Foodservice Centre Limited is a 100% subsidiary of FSC Group Limited. During the year the company was charged £6,096,203 (2017: £4,928,114) for food products by The Foodservice Centre Limited. FSC Direct Limited charged The Foodservice Centre Limited £556,972 (2017: £460,972) in respect of product margin recharges. At the year end £1,144,842 (2017: £989,815) was due to The Foodservice Centre Limited. This amount is included within creditors.

The Foodservice Centre Instore Limited is a company controlled by the Simpson family. At the year end £37,566 (2017: £37,566) was owed from The Foodservice Centre Instore Limited. This amount is included within debtors.

FSC Scandinavia AS is a subsidiary of Foodservice Quality Foods Limited. At the year end £Nil (2017: £985) was owed to the company. The £985 was written off in the year.

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.