Financial Statements
Bel UK Limited

For the Year Ended 31 December 2018

Registered number: 00886813

Company Information

Director	R. Boivin
Company secretary	A. Degroote
Registered number	00886813
Registered office	Suite 1 Floor 2 160 London Road Sevenoaks Kent TN13 2JA
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 2nd Floor Saint John's House Haslett Avenue West Crawley West Sussex RH10 1HS
Bankers	Citibank N A Citigroup Centre Canada Square Canary Wharf London E14 5LB HSBC Bank Plc 60 Queen Victoria Street London EC4N 4TR

Contents

Strategic Report

For the Year Ended 31 December 2018

Introduction
As a wholly owned subsidiary of Fromageries Bel SA group, the company has adopted the strategy and objectives of the wider group. Its primary objectives are to create value for the shareholders through the development, production and marketing of the group's products.

Business review
The company has performed consistently well for many years. During the year under review the company has increased the volume of product sold resulting in revenue increasing from £101million to £102million. This increase in revenue has been fully reflected in the profit after tax, which has increased from £0.04million to £1.6million; last year being impacted by the impact of losses on fair value movements relating to the company's foreign exchange derivatives.

The actual profit and reserves have not enabled the company to pay any dividend to the shareholders (2017: £1.6 million).

Principal risks and uncertainties
The activities of Bel UK Limited ('Bel UK'), expose it to a number of financial risks including market risk, credit risk, cash flow risk, liquidity risk and the effects of foreign currency exchange rates.

Market risk
As any fast moving consumer goods company operating in the UK market, Bel UK is trading with major retailers, including Tesco, Sainsbury's, Asda & Morrison's, who account for almost 63% of the total turnover.
There is a market risk which is inherent in the UK's retail environment that the majority of sales are made with a small number of customers. Management closely monitor relationships with these key customers to mitigate this risk as much as possible.

Credit risk
The company's principal financial assets are bank balances, trade and other debtors.
The company's credit risk is primarily attributable to its trade debtors. The amounts presented in the Statement of Financial Position are net of allowances for doubtful debtors. The company grants credit to customers who can satisfy the company's credit assessment procedures with the objective to minimise any credit risk. The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.
The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

Cash flow risk
The company has interest bearing assets and interest bearing liabilities. The interest bearing assets are bank balances and/or inter-company loans, whilst the interest bearing liabilities are restricted to inter-company loans if required. Interest is earned and/or paid at variable rates.

Liquidity risk
The company has for some time been in a position of positive liquid funds and does not currently use debt for on-going operations and planned expansion.

Foreign exchange risk
The company's major supplier is its fellow subsidiary in France who invoices the company in Euro. The company is therefore exposed to the economic risk arising from a change in the cost of its products and gains/losses arising from the settlement of intercompany liabilities due to changes in the Sterling to Euro exchange rate.

Strategic Report (continued)

Financial key performance indicators

Results	**2018**	**2017**
	£'000	**£'000**
Turnover	101,980	100,975
Gross Profit	17,911	19,192
Selling & Distribution costs	(11,807)	(13,121)
Admin expenses	(4,253)	(5,002)
Fair Value Movements	171	(1,038)
Profit for year	1,687	40

As a percentage of turnover

Gross profit	18%	19%
Selling and Distribution costs	12%	13%
Admin expenses	4%	5%
Profit for year	2%	0%

Other indicators

Debtor days	66	67
Creditor days	64	63
Headcount	51	52

This report was approved by the board on March 26th 2019 and signed on its behalf by:

R. Boivin
Director

Director's Report

For the Year Ending 31 December 2018

The director presents his report and the financial statements for the year ended 31 December 2018.

Principal activities

The principal activity of the Company is the marketing and distribution of cheese in the United Kingdom and the Republic of Ireland. There have not been any significant changes in the Company's principal activities in the year under review.
The Company is a wholly owned subsidiary of Fromageries Bel SA group and operates as part of the group's European Division.

Results and dividends

The profit for the year, after taxation, amounted to £1,686,649 (2017 - £40,247), after the impact of gains/losses on fair value movements relating to the company's foreign exchange derivatives.
During the year, no dividends were paid (2017 - £1,6m).
A review of the business's performance is included in the Strategic Report.

Directors

The directors who served during the year were:

E Lecomte (resigned 28 November 2018)
R Boivin

Future developments

The director is confident that the business will continue to adhere to their projected long-term plans.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Going concern

The Company's activities expose it to a number of financial risks of changes in foreign currency, particularly with respect to the Euro. This is minimised by the holding of bank currency accounts in this major currency in which we trade. If the need arises to mitigate these risks, the group's treasury function uses foreign exchange forward contracts to hedge these exposures.

Even though the shape of the UK's future relationship with the EU remains too uncertain to take immediate actions, the Management have defined a contingency plan that identified and assessed the Brexit-related risks that apply to the business and have considered the impact on accounting and reporting. The specific and direct challenges to the business model and operations will be the monitoring of the Supply chain to avoid any delay in the goods delivery (increased stock level, custom registration), the ongoing forecast of the foreign currency evolution and the updating of our information systems for any potential changes of import flows and their taxes implications.

Director's Report

For the Year Ending 31 December 2018

The Company finances its operations through cash and inter-company balances. As at 31 December 2018, the Company had cash balances of £924,759 (2017: £374,490), amounts owed by fellow group companies of £8,279,253 (2017: £11,321,923) and amounts due to fellow group companies of £4,988,794 (2017: £9,543,885). The net of these three balances is an asset of £4,215,218 (2017: asset of £2,152,528).

Inter-company balances are re-paid on a monthly basis in line with credit terms of 30 days from invoice date. It is not envisaged that the parent company or other fellow subsidiaries will demand payment of the inter-company balances any earlier that the agreed terms. These credit terms are in line with terms normally expected from other third party suppliers.

As at the 31 December 2018 the ultimate parent company, Fromageries Bel SA, had consolidated cash balances of €337,198,000 (2017: €470,209,000), consolidated net current assets of €241,904,000 (2017: €480,236,000), and consolidated total assets of €3,927,790,000 (2017: €3,942,590,000).

The director has reviewed the anticipated level of trading of the Company for the period of 12 months from the date of the signing of the financial statements. It is expected the Company will continue to grow its business. The focus will be to further strengthen the core of the business by investing in brand communication and increased media spend, to look at new businesses and to reduce brand portfolio risk by investing in new brands and novelties. Management are also looking at options to improve the marketing and customer service in the Irish market, and expect these to be in place before the beginning of 2019.

The director has reviewed the going concern status of the Company by considering the cash and the intercompany balance position of the company as at 31 December 2018, the anticipated level of trading activity and the continued availability of funding from group companies. Based on this review the directors have concluded that the going concern basis should be used in the preparation of the financial statements.

Auditor

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

This report was approved by the board on March 26th 2019 and signed on its behalf by:

R. Boivin
Director

Director's Report

For the Year Ending 31 December 2018

Director's responsibility statement

The director is responsible for preparing the Strategic Report and Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the director is 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

The director confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board.

R. Boivin
Director

Independent auditor's report to the members of Bel UK Limited

Opinion

We have audited the financial statements of Bel UK Limited (the 'company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 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.

Grant Thornton

Independent Auditor's Report to the Members of Bel UK Limited

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 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.

Matter on which we are required to report under the Companies Act 2006

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 or the directors' report.

Matters on which we are required to report by exception

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.

Grant Thornton

Independent Auditor's Report to the Members of Bel UK Limited

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 8, 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 statcments

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our 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.

GRANT THORNTON UK LLP.

Jonathan Oakey FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Crawley
Date: 26 March 2019.

Statement of Comprehensive Income
For the Year Ended 31 December 2018

	Note	2018 £000	2017 £000
Turnover	3	**101,980**	100,975
Cost of sales		**(84,070)**	(81,783)
Gross profit		**17,910**	19,192
Distribution costs		**(11,807)**	(13,121)
Administrative expenses		**(4,253)**	(5,003)
Fair value movements		**171**	(1,038)
Operating profit	4	**2,021**	30
Interest receivable and similar income	7	**69**	28
Interest payable and expenses	8	**(2)**	(1)
Profit on ordinary activities before taxation		**2,088**	57
Tax on profit	9	**(401)**	(17)
Profit for the year		**1,687**	40
Total comprehensive income for the year		**1,687**	40

The notes on pages 15 to 30 form part of these financial statements.

Bel UK Limited
Registered number:00886813

Statement of Financial Position

As at 31 December 2018

	Note		2018 £000		2017 £000
Fixed assets					
Intangible assets	11		**10,876**		12,084
Tangible assets	12		**310**		289
			11,186		12,373
Current assets					
Stocks	13	**5,485**		4,554	
Debtors: amounts falling due within one year	14	**27,651**		30,733	
Cash at bank and in hand	15	**924**		374	
		34,060		35,661	
Creditors: amounts falling due within one year	16	**(15,027)**		(19,523)	
Net current assets			**19,033**		16,138
Total assets less current liabilities			**30,219**		28,511
Provisions for liabilities					
Deferred tax	19	**60**		81	
			60		81
Net assets			**30,279**		28,592
Capital and reserves					
Called up share capital	20		**27,255**		27,255
Share premium account	21		**1,073**		1,073
Profit and loss account	21		**1,951**		264
Equity shareholders' funds			**30,279**		28,592

The financial statements were approved and authorised for issue by the board and were signed on its behalf on March 26th 2019.

R. Boivin
Director

The notes on pages 15 to 30 form part of these financial statements.

Statement of Changes in Equity

As at 31 December 2018

	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
At 1 January 2018	27,255	1,073	264	28,592
Profit for the year	-	-	1,687	1,687
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	1,687	1,687
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	-	-
Total transactions with owners	-	-	-	-
At 31 December 2018	27,255	1,073	1,951	30,279

As at 31 December 2017

	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
At 1 January 2017	27,255	1,073	1,824	30,152
Profit for the year	-	-	40	40
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	40	40
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(1,600)	(1,600)
Total transactions with owners	-	-	(1,600)	(1,600)
At 31 December 2017	27,255	1,073	264	28,592

The notes on pages 15 to 30 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2018

1. Accounting policies

1.1 Company information

The Company is limited by shares and incorporated in the United Kingdom. The registered address is 160, London Road, Sevenoaks, Kent TN13 2JA.

1.2 Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for modification to a fair value basis for financial instruments as specified in the accounting policies below. The financial statements are presented in Sterling (£).

Cash flow

The director has taken advantage of the exemption in Financial Reporting Standard No 102, 1.8-12 from including a Cash Flow Statement in the financial statements on the grounds that the Company is wholly owned and it parent publishes a consolidated Cash Flow Statement. The accounts have adopted section 33 'Related Party Disclosures' exemption.

1.3 Going concern

The director has reviewed the going concern status of the Company by considering the cash and the inter-company balance position of the company as at 31 December 2018, the anticipated level of trading activity and the continued availability of funding from group companies for a period greater than twelve months from the date of approval of these financial statements. Based on this review the director has concluded that the going concern basis should be used in the preparation of the financial statements. Further details of the review are given in the Director' report.

1.4 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. 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;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Such recognition ordinarily occurs on delivery of the goods to a customer's premises.

Notes to the Financial Statements
For the Year Ended 31 December 2018

1. Accounting policies (continued)

1.5 Intangible assets

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

The other intangible assets are amortised over the useful life of 20 years.

1.6 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

The estimated useful lives range as follows:

Short Term Leasehold Property	-	10 years
Office equipment	-	5 - 10 years
Computer equipment	-	4 years except internally generated software which is over 8 years

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 within 'other operating income' in the Statement of Comprehensive Income.

1.7 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

Notes to the Financial Statements
For the Year Ended 31 December 2018

1. Accounting policies (continued)

1.8 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. Work in progress and finished goods include labour and attributable overheads.

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.

1.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivables 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.

1.10 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.

1.11 Creditors

Short term creditors are measured at the transaction price.

Notes to the Financial Statements
For the Year Ended 31 December 2018

1. Accounting policies (continued)

1.12 Financial instruments

The company enters into basic and non-basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, and loans from related parties, and foreign exchange derivatives.

Debt instruments, including loans and other amounts 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 payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

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.

For financial asset measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, 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.

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.

Foreign exchange derivatives are measured at fair value through profit and loss at the end of the reporting period, a favourable gain will be shown as a financial asset and an unfavourable loss will be shown as a financial liability. Outstanding derivatives at the reporting date are included under the appropriate format heading depending on the nature of the derivative.

Notes to the Financial Statements
For the Year Ended 31 December 2018

1. Accounting policies (continued)

1.13 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.

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'.

1.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

1.15 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 payments obligations.

The contributions are recognised as an expense in the Income Statement 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.

Notes to the Financial Statements
For the Year Ended 31 December 2018

1. Accounting policies (continued)

1.16 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.

1.17 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 change 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 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- Useful economic life of intangible assets

Notes to the Financial Statements
For the Year Ended 31 December 2018

3. Analysis of turnover

All turnover arose within the United Kingdom & Ireland.

4. Operating profit

The operating profit is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets	**123**	154
Amortisation of intangible assets, including goodwill	**1,209**	1,209
Lease payment recognized as an expense during the year	**256**	274
Fair value movements on derivatives	**(171)**	1,038
Exchange differences (gain)/loss	**2,782**	(282)

During the year, no director received any emoluments (2017 - £NIL).

5. Auditors' remuneration

	2018 £000	2017 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	**37**	34
Fees payable to the Company's auditor and its associates in respect of: All other services	**-**	6
	37	40

Notes to the Financial Statements
For the Year Ended 31 December 2018

6. Employees

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	3,089	3,087
Social security costs	414	401
Cost of defined contribution scheme	252	234
	3,755	3,722

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

	2018 No.	2017 No.
Administration and selling	51	52

7. Interest receivable

	2018 £000	2017 £000
Other interest receivable	69	28
	69	28

8. Interest payable and similar charges

	2018 £000	2017 £000
Bank interest payable	2	1
	2	1

9. Taxation

	2018 £000	2017 £000
Corporation tax		
Current tax on profits for the year	**369**	8
Adjustments in respect of previous periods	**11**	(3)
Total current tax	**380**	5
Deferred tax		
Origination and reversal of timing differences	**27**	8
Adjustments in respect of prior periods	**(6)**	4
Effect of tax change on opening balances	**-**	-
Total deferred tax	**21**	12
Taxation on profit on ordinary activities	**401**	17

Notes to the Financial Statements
For the Year Ended 31 December 2018

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 – 19.25% - higher than) the standard rate of corporation tax in the UK of 19.00% (2017 – 19.25%). The differences are explained below:

	2018 **£000**	2017 £000
Profit on ordinary activities before tax	**2,088**	57
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 – 19.25%).	**397**	11
Effects of:		
Fixed asset differences	**2**	6
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**-**	-
Adjustments to brought forward values	**-**	-
Adjustments to tax charge in respect of prior periods	**1**	1
Non-taxable income	**-**	-
Other differences leading to an increase (decrease) in the tax charge	**1**	(1)
Total tax charge for the year	**401**	17

Notes to the Financial Statements

For the Year Ended 31 December 2018

10. Dividends

	2018 £000	2017 £000
Dividends on ordinary shares paid during the year	-	1,600
	-	1,600

11. Intangible assets

	Brand £000
Cost	
At 1 January 2018	24,169
At 31 December 2018	24,169
Amortisation	
At 1 January 2018	12,084
Charge for the year	1,209
At 31 December 2018	13,293
Net book value	
At 31 December 2018	10,876
At 31 December 2017	12,084

Notes to the Financial Statements
For the Year Ended 31 December 2018

12. Tangible fixed assets

	Short Term Leasehold Property £000	Office equipment £000	Computer equipment £000	Total £000
Cost				
At 1 January 2018	**393**	**127**	**2,198**	**2,718**
Additions	**-**	**1**	**143**	**144**
At 31 December 2018	**393**	**128**	**2,341**	**2,862**
Depreciation				
At 1 January 2018	**237**	**95**	**2,097**	**2,429**
Charge owned for the period	**37**	**13**	**73**	**123**
At 31 December 2018	**274**	**108**	**2,170**	**2,552**
At 31 December 2018	**119**	**20**	**171**	**310**
At 31 December 2017	156	32	101	289

13. Stocks

	2018 £000	2017 £000
Finished goods and goods for resale	**5,485**	4,554
	5,485	4,554

Stock recognised in cost of sales during the year as an expense was £82,214k (2017: £82,021k).

Notes to the Financial Statements
For the Year Ended 31 December 2018

14. Debtors

	2018 £000	2017 £000
Trade debtors	**18,434**	18,422
Bad debt provision	**(71)**	
	18,363	**18,422**
Amounts owed by group undertakings	**8,279**	11,322
Other debtors	**596**	258
Corporation tax	**-**	185
Derivative financial instruments	**225**	54
Prepayments and accrued income	**188**	492
	27,651	30,733

(Amounts owed by group undertakings are unsecured and payment terms are 30 days)

15. Cash and cash equivalents

	2018 £000	2017 £000
Cash at bank and in hand	**924**	374
	924	374

16. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	**7,337**	7,304
Amounts owed to group undertakings	**4,989**	9,544
Corporation tax	**196**	-
Other taxation and social security	**195**	198
Accruals and deferred income	**2,310**	2,477
	15,027	19,523

(Amounts owed to group undertakings are unsecured and payment terms are 30 days)

17. Financial risk management

The company has exposure to three main areas of risk - foreign exchange currency exposure, liquidity risk and customer credit exposure.

Foreign exchange transactional currency exposure
The company is exposed to currency exchange rate risk due to a significant proportion of its receivables and operating expenses being denominated in non-Sterling currencies, mainly Euros. The net exposure of each currency is monitored and managed by the use of forward foreign exchange contracts. The forward foreign exchange contracts all mature within 1 month of the year end.

Liquidity risk
The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the company has credit facilities available. Given the company has no debt, other than inter-group balances, the company is in a position to meet its commitments and obligations as they become due.

Customer credit exposure
The company may offer credit terms to its customers which allow payment of the debt after delivery of the goods. The company is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships.

18. Financial instruments

	2018 £000	2017 £000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**27,238**	30,002
Derivative financial instruments measured at fair value through profit and loss	**225**	54
	27,463	30,056
Financial liabilities		
Financial liabilities measured at amortised cost	**(14,636)**	(19,324)
	(14,636)	(19,324)

The derivative financial instruments are foreign currency forward contracts, the derivatives are not traded in active markets. These contracts have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract.

19. Deferred taxation

	Deferred tax £000
At 1 January 2018	**81**
Charged to the profit or loss	**(21)**
At 31 December 2018	**60**

The provision for deferred taxation is made up as follows:

	2018 £000	2017 £000
Accelerated capital allowances	**(4)**	9
Other short term timing differences	**64**	72
	60	81

20. Share capital

	2018 £000	2017 £000
Allotted, called up and fully paid		
27,255,176- Ordinary shares of £1 each	**27,255**	27,255

21. Reserves

Share premium

The share premium account includes any premium received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit & loss account

The profit and loss account includes all current and prior period retained profits and losses

22. Pension commitments

The Company operates a defined contribution scheme for its employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The unpaid contributions outstanding at the year end, included in accruals and deferred income are £nil (2017: £nil).

Notes to the Financial Statements
For the Year Ended 31 December 2018

23. Commitments under operating leases

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

	2018 £000	2017 £000
Land and buildings		
Expiring not later than 1 year	**190**	190
Expiring later than 1 year and not later than 5 years	**761**	761
Greater than 5 years	**1,331**	1,521
	2,282	**2,472**

	2018 £000	2017 £000
Other operating leases		
Expiring not later than 1 year	**66**	63
Expiring less than 1 year and not later than 5 years	**75**	50
Later than 5 years	**-**	-
	141	**113**

24. Ultimate parent undertaking and controlling party

In the opinion of the director, the ultimate parent undertaking of the Company is Fromageries Bel SA, a company incorporated in France. This is the parent undertaking of the smallest and largest group of which Bel UK Limited is a member and for which consolidated financial statements are produced. Such group financial statements may be obtained from Fromageries Bel SA, 2 allée de Longchamp 92150 Suresnes, FRANCE.

25. Capital commitments

As at 31 December 2018 and 31 December 2017, there were no capital commitments.