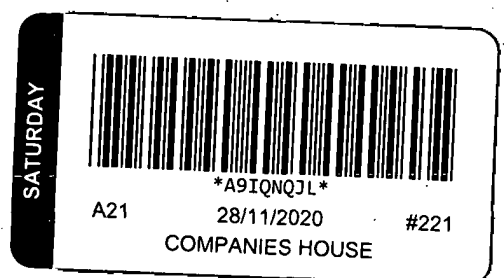


Food Brands Group Limited

Annual report and financial statements

Registered number 01738505

30 June 2019



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Directors' report

The directors present their directors' report and financial statements for the year ended 30 June 2019.

Principal activities

The principal activity of the company continued to be that of the creation of brands, and the marketing and sale of the company's own brands including Percol Fairtrade, Rocket Fuel and Organic ground and instant coffees.

On 01 July 2019, the directors took the decision to gradually cease trading over an extended period of twelve months. The company's stocks and tangible assets were sold to Lofbergs Limited (a company under the same ultimate control) on that date. A more detailed description of this post balance sheet event is given in note 1.1. As the directors do not intend to acquire a replacement trade, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.1.

Business review

The results for the year are set out on page 6.

The company has continued with its long term approach of evolving the company's main brands 'Percol' award winning coffees and 'Rocket Fuel' energy coffee. With up weighted marketing investment during the year and a solid distribution platform the company continues to strive towards bringing its brands to a far wider audience.

The company has been successful in maintaining and increasing good store distribution through a collaborative trading approach with our customers and ensuring that consumers are being provided with the best tasting, market leading, sustainable products.

On 23 June 2018, the UK electorate voted to discontinue its membership of the EU. Due to the uncertainty surrounding our future trading relationship with Europe the company has taken steps to mitigate any short-term implications. These steps include holding enough stock to ensure consistent supply to all our major customers should there be any unforeseen delay around UK customs clearance, ensuring we have all the legally required licences and registrations in place should we be in a no deal scenario and ensuring all of our supply chain are ready for any changes.

There are no employment issues for the company as a result of Brexit and we believe we are in a good position to deal with whatever changes we might face.

The coronavirus pandemic ("Covid-19") which emerged in early 2020 is a non-recognised subsequent event. A non-recognised subsequent event is one where the event or start thereof did not exist at the balance sheet date, but arose after that date

As a result of Covid-19 there have been government mandates which have resulted in an overall decline in UK economic activity. As a result, the Company's sales turnover suffered a significant reduction commencing March 2020 and at the date of approval of these financial statements, this circumstance subsists. The ultimate impact of Covid-19 on the Company's future financial performance is not reasonably estimable at the date of approval of these financial statements; consequently it is therefore considered by the directors to be an item of future uncertainty. These financial statement do not include any adjustments that might result from the outcome of this uncertainty. The directors also draw attention to the decision taken after the balance sheet date to gradually cease operations. For a more detailed description of this, refer to note 15.

Directors' report *(continued)*

Dividend

The directors do not recommend payment of a dividend (2018: *£nil*).

Directors

The directors who held office during the year were as follows:

Lars Appelqvist (resigned 01.11.2020)

Fredrik Nilsson (appointed 01.02.2019)

Erik Alexander Hedlund (resigned 01.02.2019)

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2018: *nil*).

Charitable donations

The company made charitable donations of £2,000 during the year (2018: £8,050).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

It is expected that the Company's auditors will put themselves forward for re-appointment and for a subsequent continuation in office.

By order of the board



Fredrik Nilsson
Director

Fika House,
Unit 4 Horton Road Industrial Estate
Horton Road
West Drayton
UB7 8JD
20 November 2020

Food Brands Group Limited

Annual report and financial statements

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so (as explained in note 1.1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOOD BRANDS GROUP LIMITED

Opinion

We have audited the financial statements of Food Brands Group Ltd ("the company") for the year ended 30 June 2019 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter – non-going concern basis of preparation

We draw attention to the disclosure made in note 1.1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

Strategic report and directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOOD BRANDS GROUP LIMITED

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Chrissy Douka (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
15 Canada Square
London
E14 5GL

24 November 2020

Food Brands Group Limited
Profit and Loss Account and Other Comprehensive Income
for the year ended 30 June 2019

	<i>Note</i>	2019 £000	2018 £000
Turnover	2	7,589	7,979
Cost of sales		(6,473)	(6,372)
		<hr/>	<hr/>
Gross profit		1,116	1,607
Administrative expenses		(2,007)	(1,571)
		<hr/>	<hr/>
Operating loss	3	(891)	36
Other interest receivable and similar income	6	3	8
		<hr/>	<hr/>
(Loss) / profit before taxation		(888)	44
Tax on profit	7	-	-
		<hr/>	<hr/>
(Loss) / profit for the financial year		(888)	44
		<hr/>	<hr/>
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive (loss) / income for the year		(888)	44
		<hr/>	<hr/>


The notes on pages 9 to 17 form an integral part of these financial statements.
The results for the year derive from continuing operations.

Food Brands Group Limited
Balance Sheet
at 30 June 2019

	<i>Note</i>	2019 £000	£000	2018 £000	£000
Fixed assets					
Tangible assets	8		250		45
Current assets					
Stocks	9	1,955		1,873	
Debtors (<i>including £114k due after more than 1 year (2018: £114k)</i>)	10	4,996		5,237	
Cash at bank and in hand		37		642	
		<u>6,988</u>		<u>7,752</u>	
Creditors: amounts falling due within one year	11	<u>(3,676)</u>		<u>(3,347)</u>	
Net current assets			<u>3,312</u>		<u>4,405</u>
Net assets			<u>3,562</u>		<u>4,450</u>
Capital and reserves					
Called up share capital	12	25		25	
Profit and loss account		3,537		4,425	
Shareholders' funds			<u>3,562</u>		<u>4,450</u>

The notes on pages 9 to 17 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 20 November 2020 and were signed on its behalf by:



Fredrik Nilsson
Director

Company registered number: 01738505

Food Brands Group Limited
Statement of Changes in Equity
at 30 June 2019

	Called up Share capital	Profit and loss account	Total equity
	£000	£000	£000
Balance at 1 July 2017	25	4,381	4,406
Total comprehensive loss for the period			
Profit for the year	-	44	44
Total comprehensive loss for the period	-	44	44
Balance at 30 June 2018	25	4,425	4,450
	£000	£000	£000
Balance at 1 July 2018	25	4,425	4,450
Total comprehensive income for the period			
(Loss) for the year	-	(888)	(888)
Total comprehensive income for the period	-	(888)	(888)
Balance at 30 June 2019	25	3,537	3,562

The notes on pages 9 to 17 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Food Brands Group Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, AB Anders Löfberg includes the Company in its consolidated financial statements. The consolidated financial statements of AB Anders Löfberg are prepared in accordance with Swedish GAAP and are available to the public and may be obtained from the address given in note 15. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation; and
- Section 33.1A Disclosure of transactions entered between two or more members of the Group.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies do not have significant effect on the financial statements and there are no estimates with a significant risk of material adjustment in the next year.

The financial statements are prepared on the historical cost basis

1.1 Going concern

Throughout the reporting period the company's principal activity was that of the creation of brands, and the marketing and sale of the company's own brands including Percol Fairtrade, Rocket Fuel and Organic ground and instant coffees.

Subsequent to the reporting date, the directors have taken the decision to cease operations. On 1 July 2019 all stocks and tangible assets owned by Food Brands Group Ltd have been sold to Lofbergs Ltd (a company under the same ultimate control as Food Brands Group Ltd). The stock and tangible assets were sold at their carrying value, which was deemed by the directors to be equivalent to fair value. The company has continued to take customer orders up until 30 June 2020, at which point existing customers of Food Brands Group Ltd have been transferred as customers to Lofbergs Ltd. From this date onwards there is no future trading activity planned for Food Brands Group Ltd and accordingly the directors conclude that operations have ceased.

As of the date of approval of the financial statements there are no intentions to acquire a replacement trade. As such the directors have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets were included in these financial statements.

Notes (continued)

1.2 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.3 Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- buildings over the life of the 10 year lease
- plant and equipment 25% per annum
- fixtures and fittings 25% per annum
- motor vehicles 25% per annum

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

Notes (continued)

1.6 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.7 Turnover

Turnover represents amounts receivable for goods sold net of VAT, trade discounts and customer rebates. Turnover is recognised when goods have been delivered to the customer. Customer promotional rebates are agreed from time to time with customers and the customer is credited with the agreed value of the promotional rebate, which reduces turnover accordingly, and the recognition of such rebate credits is congruent to the period of the goods delivery to the customer.

1.8 Operating lease

Payments made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

1.9 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Timing differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have not been provided for. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

2 Turnover

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

Notes (continued)

3 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2019 £000	2018 £000
Depreciation of tangible assets	37	9
Hire of other assets – operating leases	58	72
	<u> </u>	<u> </u>

Auditor's remuneration:

	2019 £000	2018 £000
Audit of these financial statements	23	20
Amounts receivable by the company's auditor and its associates in respect of:		
Audit of financial statements of other group companies	6	6

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2019	2018
Distribution	1	1
Administrative	10	11
	<u> </u>	<u> </u>
	11	12
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	2019 £000	2018 £000
Wages and salaries	497	534
Social security costs	57	60
Contributions to defined contribution plans	43	31
	<u> </u>	<u> </u>
	597	625
	<u> </u>	<u> </u>

Notes (continued)

5 Directors' remuneration

In the current period the Directors were remunerated by the parent company, AB Anders Löffberg. Management have estimated that if these costs were reallocated to Food Brands Group Limited it would be approximately £15,000 (2018: £14,299).

6 Other interest receivable and similar income

	2019 £000	2018 £000
Bank Interest	3	8

7 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2019 £000	2018 £000
Current tax on income for the period	-	-
Total current tax	-	-

Reconciliation of effective tax rate

	2019 £000	2018 £000
(Loss) / Profit for the year	(888)	44
Total tax expense	-	-
(Loss) / Profit excluding tax	(888)	44
Tax using the UK corporation tax rate of 19% (2018: 19%)	(168)	8
Current year tax offset against un-recognised tax asset	-	(8)
Current year losses for which no deferred tax asset was recognised	168	-
Total tax expense included in profit or loss	-	-

Notes (continued)

7 Taxation (continued)

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2018) was substantively enacted on 26 October 2015, and the UK Budget 2020 the government announced that the tax rate would remain at 19% for a period of at least to 1st April 2022. The deferred tax asset at 30 June 2019 has been calculated based on this 19% rate.

Deferred tax asset of £183,783 (2018 : £15,147) has not been recognised due to uncertainties over the future recovery of the asset.

8 Tangible fixed assets

	Motor Vehicles £000	Equipment £000	Leasehold property £000	Total £000
Cost				
Balance at 1 July 2018	1	89	-	90
Additions		19	223	242
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2019	1	108	223	332
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
Balance at 1 July 2018	1	44	-	45
Depreciation charge for the year	-	15	22	37
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2019	1	59	22	82
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 1 July 2018	-	45	-	45
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2019	-	49	201	250
	<hr/>	<hr/>	<hr/>	<hr/>

9 Stocks

	2019 £000	2018 £000
Finished goods	1,955	1,873

Inventories are stated after provision for impairment of £ nil (2018: £120,000) as a result of the write-down to net realisable value. The impairment provision is recognised as an expense in the profit and loss account for the respective year.

Notes (continued)

10 Debtors

	2019 £000	2018 £000
Trade debtors	1,378	1,429
Amounts owed by group undertakings	3,278	3,311
Other debtors	179	188
Prepayments and accrued income	161	309
	<u>4,996</u>	<u>5,237</u>
Due within one year	4,882	5,123
Due after more than one year	114	114
	<u>4,996</u>	<u>5,237</u>

11 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Bank overdrafts	75	-
Trade creditors	1,505	2,272
Amounts owed to group undertakings	1,612	1,013
Taxation and social security	15	20
Accruals and deferred income	469	42
	<u>3,676</u>	<u>3,347</u>

Bank overdrafts are repayable on demand and are interest bearing at a rate of 1.75%. Amounts owed to group undertakings are repayable on demand and non-interest bearing.

12 Capital and reserves

Share capital

Allotted, called up and fully paid

25,000 Ordinary shares of £1 each
25,000 Preference shares of £0.00668 each

	2019 £000	2018 £000
25,000 Ordinary shares of £1 each	25	25
25,000 Preference shares of £0.00668 each	-	-
	<u>25</u>	<u>25</u>

Notes (continued)

12 Capital and reserves (continued)

Holders of Ordinary shares are entitled to 0.01% of dividends declared and 1 vote per share. Preference shareholders are entitled to 99.9% of any dividend declared and 999 votes per share.

13 Operating leases

The annual commitments under non-cancellable operating leases are as follows:

	2019 £000	2018 £000
Less than one year	-	3
Between one and five years	8	8
More than five years	198	-
	<hr/> 206	<hr/> 11

14 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Food Brands Group (Holdings) Limited. The ultimate controlling party is AB Anders Löfberg a company registered in Sweden, by virtue of its shareholding in the Company's immediate parent company.

The largest and smallest group in which the results of the Company are consolidated is that headed by AB Anders Löfberg, a Swedish registered company. No other group financial statements include the results of the Company. The consolidated financial statements of this group are available to the public at Hamntorget, Box 1501, 651 21 Karlstad, Sweden.

15 Post balance sheet and subsequent events

Outbreak of Covid-19

The coronavirus pandemic ("Covid-19") which emerged in early 2020 is a non-recognised subsequent event. A non-recognised subsequent event is one where the event or start thereof did not exist at the balance sheet date, but arose after that date.

As a result of Covid-19 there have been government mandates which have resulted in an overall decline in UK economic activity. As a result, the Company's sales turnover suffered a significant reduction commencing March 2020 and at the date of approval of these financial statements, this circumstance subsists. The ultimate impact of Covid-19 on the Company's future financial performance is not reasonably estimable at the date of approval of these financial statements; consequently it is therefore considered by the directors to be an item of future uncertainty. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Notes (continued)

15 Post balance sheet and subsequent events (continued)

Cessation of Trade

Subsequent to the reporting date, all stocks and tangible assets have been transferred to Lofbergs Ltd (a company under the same ultimate control as Food Brands Group Ltd). The assets have been transferred for consideration equivalent to book value, which the directors consider to be equivalent to the fair value. Following the sale of the stocks and tangible assets, Food Brands Group Ltd continued to trade with its existing customers. Lofbergs Ltd was responsible for fulfilling customer orders on behalf of Food Brands Group Ltd, receiving consideration from Food Brands Group Ltd for this service. From July 2020 onwards customers have been fully transferred from Food Brands Group Ltd to Lofbergs Ltd. As a result Food Brands Group Ltd has ceased to trade, with no future trade forecast in future periods.