Company Registration No. 07676448 (England and Wales)

FSSI GROUP (UK) LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

PAGES FOR FILING WITH REGISTRAR

FSSI GROUP (UK) LTD

CONTENTS

FSSI GROUP (UK) LTD

GROUP BALANCE SHEET

AS AT 31 MARCH 2020

		2020		2019	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Intangible assets	**3**		65,623		19,633
Tangible assets	**4**		12,624		9,338
			78,247		28,971
Current assets					
Debtors	**7**	1,411,626		1,289,065	
Cash at bank and in hand		166,550		23,275	
		1,578,176		1,312,340	
Creditors: amounts falling due within one year	**8**	(1,805,223)		(1,496,759)	
Net current liabilities			(227,047)		(184,419)
Total assets less current liabilities			(148,800)		(155,448)
Capital and reserves					
Called up share capital	**9**		285,000		135,000
Profit and loss reserves			(433,800)		(290,448)
Total equity			(148,800)		(155,448)

The directors of the group have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2020 the group was entitled to exemption from audit under section 477 of the 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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to groups and companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 26.11.20 and are signed on its behalf by:

....

Mr D M Thomas
Director

FSSI GROUP (UK) LTD

COMPANY BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	3		53,866		-
Tangible assets	4		4,480		820
Investments	5		200,102		102
			258,448		922
Current assets					
Debtors	7	880,824		837,458	
Cash at bank and in hand		705		464	
		881,529		837,922	
Creditors: amounts falling due within one year	8	(1,141,249)		(843,027)	
Net current liabilities			(259,720)		(5,105)
Total assets less current liabilities			(1,272)		(4,183)
Capital and reserves					
Called up share capital	9		285,000		135,000
Profit and loss reserves			(286,272)		(139,183)
Total equity			(1,272)		(4,183)

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes.

For the financial year ended 31 March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the board of directors and authorised for issue on .... and are signed on its behalf by:

....

Mr D M Thomas
Director

Company Registration No. 07676448

FSSI GROUP (UK) LTD

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 April 2018		135,000	(315,082)	(180,082)
Year ended 31 March 2019:				
Profit and total comprehensive income for the year		-	24,634	24,634
Balance at 31 March 2019		135,000	(290,448)	(155,448)
Year ended 31 March 2020:				
Loss and total comprehensive income for the year		-	(143,352)	(143,352)
Issue of share capital	9	150,000	-	150,000
Balance at 31 March 2020		285,000	(433,800)	(148,800)

FSSI GROUP (UK) LTD

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 April 2018		135,000	(53,103)	81,897
Year ended 31 March 2019:				
Loss and total comprehensive income for the year		-	(86,080)	(86,080)
Balance at 31 March 2019		135,000	(139,183)	(4,183)
Year ended 31 March 2020:				
Loss and total comprehensive income for the year		-	(147,089)	(147,089)
Issue of share capital	9	150,000	-	150,000
Balance at 31 March 2020		285,000	(286,272)	(1,272)

1 Accounting policies

Company information

FSSI Group (UK) Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Office 114, Building 1, Chalfont Park, Chalfont St Peter, Gerrards Cross, SL9 0BG.

The group consists of FSSI Group (UK) Ltd and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of FSSI Group (UK) Ltd and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1 Accounting policies **(Continued)**

1.3 Going concern

These accounts are prepared on the going concern basis. In recent months COVID-19 has been dominating the world social and economic climate and has caused some uncertainty across the UK economy. The directors are assessing the situation on an ongoing basis but they do not expect COVID-19 to have any significant negative impact on the group given the nature of the group's trade. Given this, the directors are confident that the necessary resources are available to deal with the changing circumstances for the foreseeable future.

The group will also continue to receive support from the directors.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	10% straight line
Website	33% straight line

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% straight line
Computer equipment	33% straight line

1 Accounting policies **(Continued)**

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1 Accounting policies **(Continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1 Accounting policies **(Continued)**

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

1 Accounting policies **(Continued)**

Derecognition of financial liabilities
Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments
Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases
Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.16 Foreign exchange
Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group		Company	
	2020	2019	2020	2019
	Number	Number	Number	Number
Total	41	45	6	2

3 Intangible fixed assets

Group	Goodwill	Software	Website	Total
	£	£	£	£
Cost				
At 1 April 2019	39,191	-	11,095	50,286
Additions	-	51,547	3,957	55,504
Transfers	-	-	(11,095)	(11,095)
At 31 March 2020	39,191	51,547	3,957	94,695
Amortisation and impairment				
At 1 April 2019	23,515	-	7,138	30,653
Amortisation charged for the year	3,919	319	1,319	5,557
Transfers	-	-	(7,138)	(7,138)
At 31 March 2020	27,434	319	1,319	29,072
Carrying amount				
At 31 March 2020	11,757	51,228	2,638	65,623
At 31 March 2019	15,676	-	3,957	19,633

Company	Software	Website	Total
	£	£	£
Cost			
At 1 April 2019	-	-	-
Additions	51,547	3,957	55,504
At 31 March 2020	51,547	3,957	55,504
Amortisation and impairment			
At 1 April 2019	-	-	-
Amortisation charged for the year	319	1,319	1,638
At 31 March 2020	319	1,319	1,638
Carrying amount			
At 31 March 2020	51,228	2,638	53,866
At 31 March 2019	-	-	-

4 Tangible fixed assets

Group	**Office equipment**
	£
Cost	
At 1 April 2019	54,444
Additions	10,254
At 31 March 2020	64,698
Depreciation and impairment	
At 1 April 2019	45,106
Depreciation charged in the year	6,968
At 31 March 2020	52,074
Carrying amount	
At 31 March 2020	12,624
At 31 March 2019	9,338

Company	**Office equipment**
	£
Cost	
At 1 April 2019	895
Additions	4,065
At 31 March 2020	4,960
Depreciation and impairment	
At 1 April 2019	75
Depreciation charged in the year	405
At 31 March 2020	480
Carrying amount	
At 31 March 2020	4,480
At 31 March 2019	820

5 Fixed asset investments - company

	2020	2019
	£	£
Investments	200,102	102
	200,102	102

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 April 2019	102
Additions	200,000
At 31 March 2020	200,102
Carrying amount	
At 31 March 2020	200,102
At 31 March 2019	102

6 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
FSSI (UK) Limited	England and Wales	Ordinary	100.00
Food Safety and Integrity Group Limited	England and Wales	Ordinary	100.00
FSSI Consultancy Services Limited	England and Wales	Ordinary	100.00

7 Debtors

	Group		Company	
	2020	2019	2020	2019
Amounts falling due within one year:	£	£	£	£
Trade debtors	757,620	565,597	88,031	-
Amounts owed by group undertakings	-	-	505,845	459,328
Other debtors	654,006	723,468	286,948	378,130
	1,411,626	1,289,065	880,824	837,458

8 Creditors: amounts falling due within one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank overdrafts	81,909	59,262	-	-
Trade creditors	193,805	162,986	130,701	49,138
Amounts owed to group undertakings	-	-	818,620	752,722
Taxation and social security	327,948	229,373	49,433	31,967
Other creditors	1,201,561	1,045,138	142,495	9,200
	1,805,223	1,496,759	1,141,249	843,027

The bank overdrafts relate to FSSI (UK) Limited, a subsidiary company. Under the provision of an overdraft facility for that subsidiary, the Royal Bank of Scotland PLC has a fixed and floating charge over all assets of that company.

During the year a director, Mr D M Thomas, has registered a charge in respect of the amounts due to him from the company and from fellow group entities. The amount owing to Mr D M Thomas from the group at the year end amounted to £916,425.

The charge contains a fixed charge over the freehold, leasehold, and intellectual property of the company, in addition to a floating charge over all property or undertakings of the company.

9 Share capital

	Group and company 2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
285,000 (2019: 0) Ordinary shares of £1 each	285,000	-
0 (2019: 50,625) Ordinary A shares of £1 each	-	50,625
0 (2019: 84,375) Ordinary B shares of £1 each	-	84,375
	285,000	135,000

During the year, 50,625 Ordinary A shares and 84,375 Ordinary B shares underwent a change of share class name to Ordinary shares. There was no change of rights on the effective merging of these share classes into one class of 135,000 Ordinary shares. Also during the year, 150,000 Ordinary shares were issued at par with an aggregate nominal value of £150,000.

10 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	Group 2020 £	2019 £	Company 2020 £	2019 £
	39,061	21,555	-	-

11 Related party transactions

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	**2020 £**	**2019 £**
Group		
Key management personnel	916,425	606,207
Other related parties	3,689	203,152
Company		
Fellow group entities	818,620	752,722
Key management personnel	125,000	-

Amounts due from related parties	**2020 £**	**2019 £**
Group		
Other related parties	598,594	565,724
Company		
Fellow group entities	505,845	459,328
Key management personnel	-	43,691
Other related parties	272,849	332,090