Company Registration No. 00571334 (England and Wales)

Philip Dennis Foodservice Limited

Annual report and financial statements
for the period ended 28 January 2023

Philip Dennis Foodservice Limited

Company information

Directors	Christopher Dennis Peter Dennis Stephen Carr
Company number	00571334
Registered office	Mullacott Industrial Estate Ilfracombe N Devon EX34 8PL
Independent auditor	Saffery Champness LLP St Catherine's Court Berkeley Place Clifton Bristol BS8 1BQ

Philip Dennis Foodservice Limited

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Strategic report
For the period ended 28 January 2023

The directors present the strategic report for the 52 weeks period of trading ended 28 January 2023. The comparative period was the 52 weeks period of trading ended 29 January 2022.

Fair review of the business
The company's key financial and other performance indicators during the period were as follows:

	Unit	2023	2022
Turnover	£000	41,922	31,408
Gross margin	%	25	23
Operating margin	%	9	6
Net assets	£000	8,336	7,494

The directors are pleased with the overall performance of the company which saw a £10.5m increase on Turnover with the hospitality industry now fully open.

Gross margin has increased from 23% to 25% with increased sales allowing the business to take advantage of purchasing efficiencies and improvements to operational practices.

Operating margin has been improved by 3% as overheads have been carefully controlled and where possible fixed contracts have been put in place to help control costs.

The upturn in performance has allowed the group to increase its net asset position by £842k as the business looks to continue growth and operational improvements.

Principal risks and uncertainties
The key risks faced by the group are margin pressure due to the highly competitive marketplace and increasing costs throughout all aspects of the business. This has been counteracted through the management of direct costs and putting in place fix term contracts across utilities. The group has an agreement for the supply of electricity through an on-site wind turbine and solar panels. Margin will be addressed, where possible, by negotiating fixed prices with suppliers and maximising volume discounts.

On behalf of the board

Stephen Carr
Director

19 May 2023

The directors present their annual report and financial statements for the 52 week period of trading ended 28 January 2023.

Principal activities
The principal activity of the company continued to be that of was the distribution of catering food.

Directors
The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Christopher Dennis
Peter Dennis
Stephen Carr

Results and dividends
The results for the period are set out on page 8.

Ordinary dividends were paid amounting to £1,600,000. The directors do not recommend payment of a further dividend.

Financial risk management objectives & policies
The businesses principal financial instruments comprise bank balances, trade debtors, trade creditors and bank loans. The main financial risks that arise from day-to-day activities are discussed below.

Liquidity risk
Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due. Trade creditors are paid within agreed terms subject to disputes.

The liquidity risk arising from overdraft facilities is managed against anticipated cash inflow from operations based on the plan for the financial year and seasonal trends observed in previous years.

The liquidity risk in respect of bank loans is managed by ensuring there are sufficient funds available to meet repayment commitments as and when they contractually fall due.

Interest rate risk
The company is exposed to interest rate risk due to variable rates of interest on its borrowing.

Credit risk
Trade debtors are managed in respect of credit risk by using policies derived to accommodate customer needs but also to avoid ageing debts and irrecoverable debt. There is no significant concentration of credit risk, with exposure spread over a large number of counterparties.

Auditor
Saffery Champness LLP have expressed their willingness to continue in office.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Stephen Carr
Director

19 May 2023

Independent auditor's report
To the members of Philip Dennis Foodservice Limited

Opinion

We have audited the financial statements of Philip Dennis Foodservice Limited (the 'company') for the period ended 28 January 2023 which comprise the income statement, the statement of financial position, the statement of changes in equity and notes to the financial statements, including 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 28 January 2023 and of its profit for the period 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 period 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006 and UK Tax legislation.

Audit response to risks identified
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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.

David Sedgwick
Senior Statutory Auditor
For and on behalf of Saffery Champness LLP

19 May 2023

Chartered Accountants
Statutory Auditors

St Catherine's Court
Berkeley Place
Clifton
Bristol
BS8 1BQ

Philip Dennis Foodservice Limited

Income statement
For the period ended 28 January 2023

	Notes	Period ended 28 January 2023 £	Period ended 29 January 2022 £
Turnover	**3**	41,921,718	31,407,624
Cost of sales		(31,341,371)	(24,265,231)
Gross profit		10,580,347	7,142,393
Administrative expenses		(6,757,903)	(5,833,103)
Other operating income		-	593,401
Operating profit	**4**	3,822,444	1,902,691
Interest receivable and similar income	**8**	-	1,164
Interest payable and similar expenses	**9**	(166,867)	(147,355)
Profit before taxation		3,655,577	1,756,500
Tax on profit	**10**	(1,213,533)	(685,255)
Profit for the financial period		2,442,044	1,071,245

The income statement has been prepared on the basis that all operations are continuing operations.

Philip Dennis Foodservice Limited

Statement of financial position
As at 28 January 2023

	Notes		28 January 2023		29 January 2022
		£	£	£	£
Fixed assets					
Intangible assets	**12**		1,257,943		1,161,817
Tangible assets	**13**		10,027,480		8,343,642
Investments	**14**		-		10,400
			11,285,423		9,515,859
Current assets					
Stocks	**15**	3,597,882		2,442,709	
Debtors	**16**	4,519,253		3,492,074	
Cash at bank and in hand		863		895,047	
		8,117,998		6,829,830	
Creditors: amounts falling due within one year	**17**	(4,707,346)		(5,203,231)	
Net current assets			3,410,652		1,626,599
Total assets less current liabilities			14,696,075		11,142,458
Creditors: amounts falling due after more than one year	**18**		(4,674,159)		(2,478,416)
Provisions for liabilities					
Provisions	**21**	465,000		465,000	
Deferred tax liability	**22**	1,220,628		704,798	
			(1,685,628)		(1,169,798)
Net assets			8,336,288		7,494,244
Capital and reserves					
Called up share capital	**24**		105,267		105,267
Revaluation reserve			1,253,722		1,327,038
Capital redemption reserve			10,000		10,000
Profit and loss reserves			6,967,299		6,051,939
Total equity			8,336,288		7,494,244

The financial statements were approved by the board of directors and authorised for issue on 19 May 2023 and are signed on its behalf by:

Stephen Carr
Director

Company Registration No. 00571334

Philip Dennis Foodservice Limited

Statement of changes in equity
For the period ended 28 January 2023

	Notes	Share capital	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total
		£	£	£	£	£
Balance at 31 January 2021		105,267	1,369,848	10,000	4,937,884	6,422,999
Period ended 29 January 2022:						
Profit and total comprehensive income for the period		-	-	-	1,071,245	1,071,245
Transfers		-	(42,810)	-	42,810	-
Balance at 29 January 2022		105,267	1,327,038	10,000	6,051,939	7,494,244
Period ended 28 January 2023:						
Profit and total comprehensive income for the period		-	-	-	2,442,044	2,442,044
Dividends	**11**	-	-	-	(1,600,000)	(1,600,000)
Transfers		-	(73,316)	-	73,316	-
Balance at 28 January 2023		105,267	1,253,722	10,000	6,967,299	8,336,288

1 Accounting policies

Company information

Philip Dennis Foodservice Limited is a private company limited by shares incorporated in England and Wales. The registered office is Mullacott Industrial Estate, Ilfracombe, N Devon, EX34 8PL.

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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary a mounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. T he company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Philip Dennis Foodservice (Holdings) Limited. These consolidated financial statements are available from its registered office, Mullacott Industrial Estate, Ilfracombe, Devon EX34 8PL.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Reporting period

The period end date has changed to be in line with the company policy to fall on a Saturday. The prior period figures still remain comparable year on year.

1 Accounting policies (continued)

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods 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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer which occurs upon delivery of the goods.

1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

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	3 years

1.7 Tangible fixed assets

All tangible fixed assets, with the exception of freehold property, are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Freehold property is measured at cost and subsequently measured at its fair value at each reporting period end.

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:

Land and Buildings	2% on cost, valuation or over life of lease
Plant and computers	10% to 33% on cost
Fixtures and fittings	10% to 33% on cost
Motor vehicles	12.5% to 33% on cost

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 credited or charged to profit or loss.

1.8 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

1.9 Impairment of fixed assets

At each reporting period end date, the company 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.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, and bank overdrafts.

1.12 Financial instruments

The company 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 company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

1 Accounting policies (continued)

Basic financial assets

Basic financial assets, which include debtors, 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.

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 company 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 company after deducting all of its liabilities.

1 Accounting policies (continued)

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the company 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 company.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies (continued)

1.15 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.16 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.

1.17 Retirement benefits

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

1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.19 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The company has recognised a provision for dilapidations and accruals for overriders in its financial statements which require management to make judgements. This judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other relevant factors.

The company adopts the revaluation model for its freehold land and buildings. The directors obtain regular third party property valuations to determine the fair value of these properties as at each reporting period end.

3 Turnover and other revenue

	2023	2022
	£	£
Turnover analysed by class of business		
Sale of goods	41,921,718	31,407,624

	2023	2022
	£	£
Other revenue		
Interest income	-	1,164
CJRS income	-	593,401

	2023	2022
	£	£
Turnover analysed by geographical market		
United Kingdom	41,921,718	31,407,624

4 Operating profit

	2023	2022
Operating profit for the period is stated after charging/(crediting):	£	£
Depreciation of owned tangible fixed assets	1,113,716	1,133,761
Profit on disposal of tangible fixed assets	(24,385)	(34,941)
Amortisation of intangible assets	21,781	-
Operating lease charges	138,417	180,397

5 Auditor's remuneration

	2023	2022
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	25,100	21,000
For other services		
Taxation compliance services	3,300	3,000

6 Employees

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

	2023	2022
	Number	Number
Production	79	70
Administration and support	50	52
Distribution	60	49
Total	189	171

6 Employees (continued)

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	5,174,656	4,371,065
Social security costs	523,138	392,599
Pension costs	130,430	134,361
	5,828,224	4,898,025

7 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	179,224	146,465
Company pension contributions to defined contribution schemes	13,996	-
	193,220	146,465

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2022 - 0).

8 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Interest on bank deposits	-	1,164

9 Interest payable and similar expenses

	2023	2022
	£	£
Interest on bank overdrafts and loans	97,792	37,065
Interest on finance leases and hire purchase contracts	69,075	110,290
	166,867	147,355

10 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	666,239	159,841
Adjustments in respect of prior periods	31,464	-
Total current tax	697,703	159,841
Deferred tax		
Origination and reversal of timing differences	392,030	122,531
Changes in tax rates	123,800	-
Adjustment in respect of prior periods	-	402,883
Total deferred tax	515,830	525,414
Total tax charge	1,213,533	685,255

The actual charge for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£	£
Profit before taxation	3,655,577	1,756,500
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	694,560	333,735
Tax effect of expenses that are not deductible in determining taxable profit	672	700
Tax effect of income not taxable in determining taxable profit	(3,525)	-
Adjustments in respect of prior years	31,464	-
Effect of change in corporation tax rate	123,800	254,575
Group relief	-	(9,880)
Permanent capital allowances in excess of depreciation	47,278	59,174
Deferred tax adjustments in respect of prior years	319,284	46,951
Taxation charge for the period	1,213,533	685,255

11 Dividends

	2023	2022
	£	£
Final paid	1,600,000	-

12 Intangible fixed assets

	Software
	£
Cost	
At 30 January 2022	1,161,817
Additions	117,907
At 28 January 2023	1,279,724
Amortisation and impairment	
At 30 January 2022	-
Amortisation charged for the period	21,781
At 28 January 2023	21,781
Carrying amount	
At 28 January 2023	1,257,943
At 29 January 2022	1,161,817

Included within software is £1,187,224 (2022: £1,161,817) in respect of assets under construction on which no amortisation has been charged.

13 Tangible fixed assets

	Land and Buildings	Fixtures and fittings	Plant and computers	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 30 January 2022	5,245,121	433,540	2,899,842	6,235,214	14,813,717
Additions	2,120,425	45,189	28,210	619,765	2,813,589
Disposals	-	-	-	(167,755)	(167,755)
At 28 January 2023	7,365,546	478,729	2,928,052	6,687,224	17,459,551
Depreciation and impairment					
At 30 January 2022	821,833	264,256	1,745,267	3,638,719	6,470,075
Depreciation charged in the period	114,170	57,889	269,794	671,863	1,113,716
Eliminated in respect of disposals	-	-	-	(151,720)	(151,720)
At 28 January 2023	936,003	322,145	2,015,061	4,158,862	7,432,071
Carrying amount					
At 28 January 2023	6,429,543	156,584	912,991	2,528,362	10,027,480
At 29 January 2022	4,423,288	169,284	1,154,575	2,596,495	8,343,642

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2023	2022
	£	£
Plant and computers	39,953	58,277
Motor vehicles	1,852,231	1,978,594
	1,892,184	2,036,871

13 Tangible fixed assets (continued)

The freehold property was valued on the basis of an open market value by professional valuers GVA and BNP Paribas.

	2023	2022
	£	£
Cost	5,859,612	3,739,186
Accumulated depreciation	(790,049)	(682,766)
Carrying value	5,069,563	3,056,420

14 Fixed asset investments

	2023	2022
	£	£
Investments in subsidiaries	-	10,400

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 30 January 2022	10,400
Impairment	(10,400)
At 28 January 2023	-
Carrying amount	
At 28 January 2023	-
At 29 January 2022	10,400

15 Stocks

	2023	2022
	£	£
Finished goods and goods for resale	3,597,882	2,442,709

16 Debtors

	2023	2022
Amounts falling due within one year:	**£**	**£**
Trade debtors	2,635,046	2,423,490
Amounts owed by group undertakings	613,126	334,126
Other debtors	689,568	441,240
Prepayments and accrued income	581,513	293,218
	4,519,253	3,492,074

17 Creditors: amounts falling due within one year

		2023	2022
	Notes	**£**	**£**
Bank loans and overdrafts	**19**	745,473	1,398,888
Obligations under finance leases	**20**	687,086	757,341
Trade creditors		1,176,206	1,632,406
Amounts owed to group undertakings		-	10,400
Corporation tax		666,388	7,749
Other taxation and social security		117,533	104,895
Accruals and deferred income		1,314,660	1,291,552
		4,707,346	5,203,231

18 Creditors: amounts falling due after more than one year

		2023	2022
	Notes	**£**	**£**
Bank loans and overdrafts	**19**	3,798,277	1,506,946
Obligations under finance leases	**20**	875,882	971,470
		4,674,159	2,478,416

19 Loans and overdrafts

	2023	2022
	£	£
Bank loans	4,238,281	2,905,834
Bank overdrafts	305,469	-
	4,543,750	2,905,834
Payable within one year	745,473	1,398,888
Payable after one year	3,798,277	1,506,946

Bank borrowings consist of one bank loan. The bank loan is secured by a fixed and floating charge over the company's properties and other fixed assets. The interest rate applied is 2% per annum above base rate.

20 Finance lease obligations

	2023	2022
Future minimum lease payments due under finance leases:	£	£
Within one year	687,086	757,341
In two to five years	875,882	971,470
	1,562,968	1,728,811

Net obligations under hire purchase agreements are secured by fixed charges over the relevant assets.

21 Provisions for liabilities

	2023	2022
	£	£
Dilapidations provision	465,000	465,000

Movements on provisions:

	Dilapidations provision
	£
At 30 January 2022 and 28 January 2023	465,000

Dilapidation provisions will be settled upon leaving company premises. There is no definitive date as to when this will arise.

22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023	Liabilities 2022
Balances:	£	£
Accelerated capital allowances	1,220,628	704,798

	2023
Movements in the period:	£
Liability at 30 January 2022	704,798
Charge to profit or loss	515,830
Liability at 28 January 2023	1,220,628

The deferred tax balance is expected to reverse, however it is not possible to quantify the expected reversal due to the unknown timing of disposals in respect of certain fixed assets.

Finance Bill 2021 increased the rate of corporation tax from 19% to 25% as of 1 April 2023. As this is the substantively enacted rate at the year end, deferred tax has been recorded at 25%.

23 Retirement benefit schemes

	2023	2022
Defined contribution schemes	**£**	**£**
Charge to profit or loss in respect of defined contribution schemes	130,430	134,361

24 Share capital

	2023	2022
Ordinary share capital	**£**	**£**
Issued and fully paid		
85,267 Ordinary A shares of £1 each	85,267	85,267
20,000 Ordinary B shares of £1 each	20,000	20,000
	105,267	105,267

There are no voting rights attached to the Ordinary B shares. The Ordinary A and Ordinary B shares rank pari passu in all other respects.

25 Operating lease commitments

Lessee

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

	2023	2022
	£	**£**
Within one year	306,446	306,446
Between two and five years	1,080,300	1,116,646
In over five years	429,753	699,014
	1,816,499	2,122,106

26 Capital commitments

At the balance sheet date, the company had capital commitments totalling £79,590 (2022: £314,658).

27 Related party transactions

Summary of transactions with entities with joint control
A related company with common directors provides electricity to the company. During the year Philip Dennis Foodservice Limited made purchases of £111,452 (2022: £121,877) from this related company. Philip Dennis Foodservice Limited also recharges costs to the related company and total recharges in the year were £16,654 (2022: £2,757). During the year Philip Dennis Foodservice Limited advanced £500,000 (2022: £175,000) to the related company. At the balance sheet date the amount due from the related company was £612,033 (2022: £427,957).

Another related company a common director provided IT consultancy services to the company. During the year Philip Dennis Foodservice Limited made purchases of £51,279 (2022: £25,470) from this related company. At the balance sheet date £nil (2022: £nil) was owed to this company.

Summary of transactions with other related parties
The company incurred rent payable of £107,000 (2022: £88,500) in respect of its depot at Ilfracombe and £238,000 (2022: £200,000) in respect to its depot at Oxford, both of which are rented from the Philip Dennis Pension Scheme. At the balance sheet date the amount due to the pension scheme in respect of this was £nil (2022: £nil).

28 Ultimate controlling party

The company's immediate and ultimate parent is Philip Dennis Foodservice (Holdings) Limited, incorporated in England and Wales. This is the largest and smallest group in which the accounts of this company are consolidated. the registered office of Philip Dennis Foodservice (Holdings) Limited is Mullacott Industrial Estate, Ilfracombe, EX34 8PL.