

Melwood Investments Limited

Annual report and financial statements

For the 52 weeks ended 27 July 2019

Company registration no. 00755925

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Melwood Investments Limited

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Melwood Investments Limited

Officers and professional advisors

Directors

M P Fletcher (resigned 31 July 2018)
R S Boparan
R K O Kers
C A Tomkinson

Registered office

Trinity Park House
Fox Way
Wakefield
West Yorkshire
WF2 8EE

Melwood Investments Limited

Directors' report

The directors present their annual report and financial statements for the 52 weeks ended 27 July 2019.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption and no strategic report has been presented in line with these provisions.

Business overview and principal activities

Melwood Investments Limited ('the Company') is a wholly owned indirect subsidiary of the group headed by Boparan Holdings Limited ("the Group").

The principal activity of the Company is to hold intercompany balances. There has not been any significant changes in the Company's principal activity in the period under review or post period end.

The profit for the period attributable to shareholders amounted to £nil (2018: £1,000).

Key performance indicators

The Company has not identified any key performance indicators due to the nature of its operations as a non-trading company.

Principal risks and uncertainties

The Company is financed by intergroup loans from Group companies and so does not have any exposure to external financing. Group risks are discussed in the annual report of Boparan Holdings Limited which does not form part of this report.

Future prospects

The directors expect the Company to continue to operate as a non-trading company within the Group.

Directors

The directors of the Company who served during the period ended 27 July 2019 and up to the date of signing the financial statements are those listed on page 1.

Directors' indemnities

The Company made qualifying third party indemnity provisions for the benefit of its directors during the period which remain in force at the date of this report.

Dividends

No interim dividend was paid in the period (2018: £nil) and the directors do not recommend the payment of a final dividend (2018: £nil).

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1.

Melwood Investments Limited

Directors' report (continued)

Employees

The Company has no employees other than directors. Details of the directors' emoluments can be found in note 2.

Approved by the board and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'C A Tomkinson', with a large, sweeping loop at the top.

C A Tomkinson
Director

27th July 2020

Melwood Investments Limited

Directors' responsibilities statement

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), 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The 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.

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

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Melwood Investments Limited

Statement of income and retained earnings

For the 52 weeks ended 27 July 2019

	Note	52 weeks ended 27 July 2019 £'000	52 weeks ended 28 July 2018 £'000
Net finance income	3	-	1
Profit before taxation		-	-
Taxation on profit	4	-	-
Total comprehensive profit / (loss) for the financial period		-	1
Retained earnings at the start of the period		146	145
Retained earnings at the end of the period		146	146

All results derive from continuing operations.

There are no recognised gains or losses in either period other than the profit or loss for that period.

Melwood Investments Limited

Balance sheet

At 27 July 2019

	Note	27 July 2019 £'000	28 July 2018 £'000
Current assets			
Debtors: amounts falling due within one year	5	146	146
Current liabilities			
Creditors: amounts falling due within one year	6	-	-
Net current assets		146	146
Total assets less current liabilities		146	146
Net assets		146	146
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account		146	146
Shareholders' funds		146	146

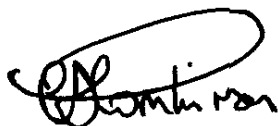
For the 52 weeks ended 27 July 2019 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

No members have required the Company to obtain an audit of its accounts for the 52 weeks ended 27 July 2019 in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the accounts.

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

The financial statements of Melwood Investments Limited were approved by the board of directors and authorised for issue on 27th July 2020. They were signed on its behalf by:



C A Tomkinson
Director
Company number 00755925

Melwood Investments Limited

Notes to the financial statements For the 52 weeks ended 27 July 2019

1. Accounting policies

Basis of accounting

Melwood Investments Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1 and the nature of the Company's operations and its principal activities are set out in the directors' report.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling, because that is the currency of the primary economic environment in which the Company operates. These financial statements are also presented in pounds sterling.

Financial Reporting Standard 102 – reduced disclosure exemptions

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions available to it in FRS102 Paragraph 1.12. In preparing these financial statements, exemptions have been taken in respect of:

- The requirements of Section 3; Financial Statement Presentation paragraph 3.17(d), and Section 7, Statement of Cashflows;
- The requirements of Section 11; Basic Financial Instruments paragraphs 11.41(b) - (c), 11.41 (e) - (f), 11.42, 11.44 - 11.45, 11.47, 11.48(aiii) – (aiv), 11.48(b) – (c);
- The requirements of Section 12; Other Financial Instruments Issues paragraph 12.26 - 12.27, 12.29(a) – (b) and 12.29A; and
- The requirements of Section 33; Related Party Disclosures paragraph 33.7.

The Company is consolidated in the financial statements of its ultimate parent, Boparan Holdco Limited. Copies of these financial statements may be obtained from the Company's registered office.

The Company has also presented a statement of income and retained earnings in place of a statement of comprehensive income and a statement of changes in equity in accordance with FRS102 Paragraph 6.4.

Going concern

The Company is in a net asset position and does not have any exposure to external financing as its working capital and short term cash flow requirements are managed through financial support from its intermediate parent company.

The intermediate parent company, Boparan Holdings Limited, has confirmed it will provide sufficient financial support, should it be required, to enable the Company to meet its liabilities as they fall due for a period of not less than 12 months from the date of approval of the financial statements, as long as the Company remains within the Group. The going concern of the Company is therefore dependent on the going concern of the Group.

Melwood Investments Limited

Notes to the financial statements (continued) For the 52 weeks ended 27 July 2019

1. Accounting policies (continued)

Going concern (continued)

In determining whether the Group's interim and quarterly report can be prepared on a going concern basis, the directors considered the Group's business activities, together with the factors likely to affect its future development, performance and position. The review included the financial position of the Group, its cash flows, liquidity position, borrowing facilities and covenants. The key factors considered by the directors were as follows:

- consideration of detailed forecasts prepared for the 12-month period from the date of approval of the interim and quarterly report and the application of sensitivities to those forecasts;
- the implications of the challenging economic environment and future uncertainties on the Group's revenues and profits and its ability to meet financial covenants;
- the impact of the competitive environment within which the Group's businesses operate;
- the potential actions that could be taken in the event that revenues are worse than expected, to ensure that operating profit and cash flows are protected; and
- the Group has access to a committed bank facility and invoice discounting facility to meet day to day working capital requirements.
- the impact of COVID-19 on the business and its prospects

The board is regularly updated on the evolving risks of the ongoing COVID 19 situation and continues to monitor developments closely. Whilst managing absence, social distancing and materials shortages have been challenging operationally, we have seen no operational impacts that we expect to have a material adverse effect thus far and continue to prioritise the safety of our products and people, whilst stepping up to play our part in feeding the nation.

Whilst demand has been volatile in some parts of our business, we are fortunate in that we have had, and continue to have, sufficient demand in all of our businesses to remain operational. Whilst we have mostly been able to mitigate the profit impacts of COVID-19, we have seen a working capital outflow driven by the fall in demand in our meals and European business. The board consider this working capital impact to be a timing impact that will unwind as the physical constraints on the economy imposed by the lockdown are released. Thus far, we have successfully mitigated this working capital impact through other lines in the cashflow.

As at the date of this annual report and financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in business for the foreseeable future being a period of not less than 12 months from the date of approval of these financial statements. Accordingly, the financial statements for the 52 weeks ended 27 July 2019 have been prepared on the going concern basis.

Taxation

Current tax, both UK and overseas, is recognised for the amounts payable (or receivable) in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Financial instruments

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Melwood Investments Limited

Notes to the financial statements (continued) For the 52 weeks ended 27 July 2019

1. Accounting policies (continued)

Financial instruments (continued)

Financial assets and liabilities are only offset in the statement of financial position when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

All amounts due from, or owed to Group undertakings are repayable on demand and held at amortised cost.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received, net of direct issue costs.

Critical accounting judgements and key sources of estimation uncertainty

The directors have assessed that there are no critical accounting judgements or sources of estimation uncertainty in these financial statements.

2. Remuneration of directors

None of the directors received any remuneration for their services to the Company in either period.

3. Net finance income

	52 weeks ended 27 July 2019 £'000	52 weeks ended 28 July 2018 £'000
Interest receivable from Group undertakings	-	1

4. Taxation on profit

	52 weeks ended 27 July 2019 £'000	52 weeks ended 28 July 2018 £'000
UK corporation tax		
Current charge on profit for the period	-	-
Tax (charge) for the period	-	-

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Notes to the financial statements (continued) For the 52 weeks ended 27 July 2019

4. Taxation on profit (continued)

The corporation tax charge is different to the standard UK corporation tax rate of 19.00% (2018: 19.00%). The differences are analysed below:

	28 July 2018 £'000	29 July 2017 £'000
Profit before taxation	-	1
Taxation at the UK corporation tax rate of 19.00% (2018: 19.00%)	-	-
Factors affecting the (charge):		
Group relief not paid for	-	2
Disallowable expenses	-	(2)
Tax (charge) for the period	-	-

5. Debtors: Amounts falling due within one year

	27 July 2019 £'000	28 July 2018 £'000
Amounts due from Group undertakings	145	145
Corporation tax	1	1
	<u>146</u>	<u>146</u>

All amounts due from Group undertakings are repayable on demand and held at amortised cost.

6. Creditors: Amounts falling due within one year

	27 July 2019 £'000	28 July 2018 £'000
Corporation tax	-	-
	<u>-</u>	<u>-</u>

All amounts due to Group undertakings are repayable on demand and held at amortised cost.

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Notes to the financial statements (continued) For the 52 weeks ended 27 July 2019

7. Called up share capital

	27 July 2019 £'000	28 July 2018 £'000
Allotted, called up and fully paid:		
100 ordinary shares of £1 each	-	-

The Company has one class of ordinary shares which carry no right to fixed income.

8. Related party transactions

The Company has taken advantage of the exemption under FRS102 Section 33; Related Party Disclosures paragraph 33.7, as a wholly owned indirect subsidiary of Boparan Holdings Limited, not to disclose related party transactions with other wholly owned members of the Group.

9. Ultimate parent undertaking

The Company is a wholly owned subsidiary of Northern Foods Limited, a company registered in England and Wales. The parent company of the smallest group of undertakings for which group financial statements are drawn up and of which the Company is a member is Boparan Holdings Limited, a company registered in England and Wales. The parent company of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member is Boparan Holdco Limited, registered in England and Wales.

Copies of the consolidated financial statements can be obtained from the Company's registered office, as detailed on page 1. As at 27 July 2019 Boparan Holdco Limited was also the Company's ultimate parent undertaking.

R S Boparan and B K Boparan are the ultimate controlling parties.