

Registered number: 00838331

LIONEL HITCHEN LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021



LIONEL HITCHEN LIMITED

COMPANY INFORMATION

Directors	A M Barnes P T Hitchen A L Hitchen L M Hitchen E L Agnew T N Brown H I McNair T I Metcalfe M Kahn (appointed 29 October 2021)
Company secretary	D J Thomson
Registered number	00838331
Registered office	Virginia Works Greenwich Way Andover Hampshire SP10 4JX
Independent auditors	Harris & Trotter LLP Chartered Accountants and Statutory Auditors 64 New Cavendish Street London W1G 8TB
Bankers	Lloyds Bank PLC 22 High Street Andover Hampshire SP10 1NW

LIONEL HITCHEN LIMITED

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LIONEL HITCHEN LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

Introduction

The directors present their strategic report for the group for the year ended 30 September 2021.

Business review

The principal activities of the Group include the extraction of botanical materials, distillation, separation, washing, de-waxing of essential oils, blending of food flavourings in liquid form and trading of a variety of flavouring ingredients. There have not been any significant changes in the principal activities in the year under review and no significant changes are intended in the immediate future. The Group has sufficient cash resources to continue operating through the COVID-19 pandemic and will continue to trade for the foreseeable future.

Principal risks and uncertainties

The directors have identified that the principal risks and uncertainties facing the company are currency risk, credit risk and price risk, and uncertainties due to COVID-19.

Financial key performance indicators

The directors consider the key performance indicator to be that of revenue growth during the year. In 2021, revenue growth was 16% (2020: 23%).

Other key performance indicators

The directors deem their customer base to be the key non-financial KPI on which the business is measured. This has remained consistent on the previous year.

Section 172 (1) Statement


The Board of Directors of Lionel Hitchen strive to act in ways most likely to promote the long term success of the business for the benefit of its members having regard to the matter set out a) to f) in section 172 of the Companies Act 2006 when making strategic decision

We focus on maintaining and developing strong relationships with our customers – retention of customers is a key aspect of our growth – our suppliers – many of whom we have worked with for over many years – and our employees and other associates

As a family owned business we fully appreciate the impact our business potentially has on people and the environment and our underlying values are to operate with respect and integrity with our employees, local communities and throughout our supply chain

We carefully consider the effects that our operations may have on the local community and promote environmental awareness amongst our suppliers, employees and partners by implementation of operational policies, continuously monitoring our waste levels, diverting from landfill and increasingly using recycling facilities and running energy reduction programmes through investing in new technology and making operational improvements.

This report was approved by the board on 29 March 2022 and signed on its behalf.


A M Barnes
Director

LIONEL HITCHEN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present their report and the financial statements for the year ended 30 September 2021.

Principal activity

The group's principal activities include the extraction of botanical materials, distillation, separation, washing, de-waxing of essential oils, blending of food flavourings in liquid form and trading of a variety of flavouring ingredients. Future prospects are described in the Strategic Report.

Directors

The directors who served during the year were:

A M Barnes
P T Hitchen
A L Hitchen
L M Hitchen
E L Agnew
T N Brown
H I McNair
T I Metcalfe

During the year, no rights to subscribe for shares or debentures in the company were granted or exercised by any of the company's directors.

The directors retiring by rotation are Mr T N Brown and Mr T I Metcalfe, who, being eligible, offer themselves for re-election.

The company has not made any indemnity provisions for the benefit of its directors (2020: £nil).

Going concern and COVID-19

The directors are of the opinion that the company has adequate resources to continue in operational existence for the foreseeable future. Lionel Hitchen Limited therefore continues to adopt the going concern basis in preparing its financial statements. As stated in note 2.4 to the financial statements, the financial statements have been presented on a going concern basis and the directors have a reasonable expectation that, despite the uncertainty during the current COVID-19 pandemic, the company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements.

Research and development activities

During 2021 the Company's projects to develop new flavour ingredients continued according to plan.

Financial risk management

The group's principal financial assets are bank balances, stock and trade debtors.

The company does not use derivatives to manage its financial risks. The directors are of the view that the group has normal levels of risk in these areas in the context of the industry. Management do not speculate on foreign currency and transactions are settled immediately. Management is comfortable with the exposure position. Management has a credit policy in place and this is monitored. Commodity price risk is deemed to be a business risk, and although it is monitored, it is not directly managed due to cost benefit considerations.

LIONEL HITCHEN LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

Climate change

The Company recognises its environmental responsibilities and has continuous projects in place which work towards achieving these plans.

Engagement with suppliers, customers and others

Please refer to the Section 172 (1) statement in the Strategic Report.

Results and dividends

The profit for the year, after taxation, amounted to £5,004,523 (2020 - £5,833,049).

No dividends were paid during the year (2020: £nil).

Political contributions

During the year the Company made political donations of £nil (2020: £nil).

Auditors

The auditors, Harris & Trotter LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LIONEL HITCHEN LIMITED


**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

This report was approved by the board on 29 March 2022 and signed on its behalf.



A M Barnes
Director

LIONEL HITCHEN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIONEL HITCHEN LIMITED

Opinion

We have audited the financial statements of Lionel Hitchen Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2021, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

LIONEL HITCHEN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIONEL HITCHEN LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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.

Opinion 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

LIONEL HITCHEN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIONEL HITCHEN LIMITED (CONTINUED)

Auditors' 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 Auditors' 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 Group financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Group and the industry in which it operates. We determined that the following laws and regulations were most significant: FRS 102 and the Companies Act 2006.
- We obtained an understanding of how the Group is complying with those legal and regulatory frameworks by making enquiries of management.
- We challenged assumptions and judgments made by management in its significant accounting estimates.

We did not identify any key audit matters relating to irregularities, including fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

LIONEL HITCHEN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIONEL HITCHEN LIMITED (CONTINUED)

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 Auditors' 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.

Stephen Haffner (Senior Statutory Auditor)

for and on behalf of
Harris & Trotter LLP

Chartered Accountants and Statutory Auditors

64 New Cavendish Street
London
W1G 8TB

29 March 2022

LIONEL HITCHEN LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	42,176,392	36,381,239
Cost of sales		(29,259,729)	(25,282,578)
Gross profit		12,916,663	11,098,661
Administrative expenses		(6,972,980)	(6,434,760)
Other operating income	6	337,883	56,314
Fair value movements		-	2,027,220
Operating profit	5	6,281,566	6,747,435
Interest receivable and similar income	9	3,962	82,856
Profit before tax		6,285,528	6,830,291
Tax on profit	10	(1,281,005)	(997,242)
Profit for the financial year		5,004,523	5,833,049
Other comprehensive income for the year			
Currency translation differences		(51,842)	(61,320)
Other comprehensive income for the year		(51,842)	(61,320)
Total comprehensive income for the year		4,952,681	5,771,729
Profit for the year attributable to:			
Owners of the parent company		5,004,523	5,833,049
		(5,004,523)	(5,833,049)

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

The notes on pages 17 to 36 form part of these financial statements.

LIONEL HITCHEN LIMITED
REGISTERED NUMBER: 00838331


CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	1,213,894	1,260,125
Investment property	12	3,825,000	3,825,000
		<u>5,038,894</u>	<u>5,085,125</u>
Current assets			
Stocks	14	18,234,029	12,943,956
Debtors	15	10,465,080	8,529,951
Cash at bank and in hand	16	17,055,526	15,866,827
		<u>45,754,635</u>	<u>37,340,734</u>
Creditors: amounts falling due within one year	17	(6,724,156)	(3,701,931)
Net current assets		<u>39,030,479</u>	<u>33,638,803</u>
Total assets less current liabilities		<u>44,069,373</u>	<u>38,723,928</u>
Creditors: amounts falling due after more than one year	18	(326,756)	(109,423)
Provisions for liabilities			
Deferred taxation	20	(443,687)	(334,667)
		<u>(443,687)</u>	<u>(334,667)</u>
Net assets excluding pension asset		<u>43,298,930</u>	<u>38,279,838</u>
Net assets		<u>43,298,930</u>	<u>38,279,838</u>
Capital and reserves			
Called up share capital	21	21,001	21,001
Other reserves		1,827,386	1,875,346
Profit and loss account		41,450,543	36,383,491
		<u>43,298,930</u>	<u>38,279,838</u>

LIONEL HITCHEN LIMITED
REGISTERED NUMBER: 00838331

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2021

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 March 2022.



A M Barnes
Director

The notes on pages 17 to 36 form part of these financial statements.

LIONEL HITCHEN LIMITED
REGISTERED NUMBER: 00838331


COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	1,213,834	1,259,970
Investment property	12	3,825,000	3,825,000
Investments	13	85,000	85,000
		<u>5,123,834</u>	<u>5,169,970</u>
Current assets			
Stocks	14	17,959,182	12,633,033
Debtors	15	10,757,986	8,555,680
Cash at bank and in hand	16	15,670,010	14,827,759
		<u>44,387,178</u>	<u>36,016,472</u>
Creditors: amounts falling due within one year	17	(6,717,754)	(3,678,505)
Net current assets		<u>37,669,424</u>	<u>32,337,967</u>
Total assets less current liabilities		<u>42,793,258</u>	<u>37,507,937</u>
Creditors: amounts falling due after more than one year	18	(326,756)	(109,423)
Provisions for liabilities			
Deferred taxation	20	(443,687)	(334,667)
		<u>(443,687)</u>	<u>(334,667)</u>
Net assets excluding pension asset		<u>42,022,815</u>	<u>37,063,847</u>
Net assets		<u><u>42,022,815</u></u>	<u><u>37,063,847</u></u>
Capital and reserves			
Called up share capital	21	21,001	21,001
Other reserves		1,827,386	1,875,346
Profit and loss account		40,174,428	35,167,500
		<u>42,022,815</u>	<u>37,063,847</u>

LIONEL HITCHEN LIMITED
REGISTERED NUMBER: 00838331

COMPANY BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2021

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 March 2022.


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A M Barnes
Director

The notes on pages 17 to 36 form part of these financial statements.

LIONEL HITCHEN LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
At 1 October 2019	21,001	-	32,452,768	32,473,769
Profit for the year	-	-	5,833,049	5,833,049
Currency translation differences	-	-	(61,320)	(61,320)
Unrealised profit on closing stock	-	-	34,340	34,340
Transfer from profit and loss account	-	-	(1,875,346)	(1,875,346)
Transfer between other reserves	-	1,875,346	-	1,875,346
At 1 October 2020	21,001	1,875,346	36,383,491	38,279,838
Profit for the year	-	-	5,004,523	5,004,523
Currency translation differences	-	-	(51,842)	(51,842)
Unrealised profit on closing stock	-	-	66,411	66,411
Transfer from profit and loss account	-	-	47,960	47,960
Transfer between other reserves	-	(47,960)	-	(47,960)
At 30 September 2021	21,001	1,827,386	41,450,543	43,298,930

The notes on pages 17 to 36 form part of these financial statements.

Other reserves totalling £1,827,386 (2020: £1,875,346) relates to fair value movements on revaluation of the investment property £2,027,220 (2020: £2,027,220) net of deferred tax of £199,834 (2020: £151,874).

LIONEL HITCHEN LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
At 1 October 2019	21,001	-	31,281,436	31,302,437
Profit for the year	-	-	5,761,410	5,761,410
Transfer to/from profit and loss account	-	-	(1,875,346)	(1,875,346)
Transfer between other reserves	-	1,875,346	-	1,875,346
At 1 October 2020	21,001	1,875,346	35,167,500	37,063,847
Profit for the year	-	-	4,958,968	4,958,968
Transfer to/from profit and loss account	-	-	47,960	47,960
Transfer between other reserves	-	(47,960)	-	(47,960)
At 30 September 2021	21,001	1,827,386	40,174,428	42,022,815

The notes on pages 17 to 36 form part of these financial statements.

Other reserves totalling £1,827,386 (2020: £1,875,346) relates to fair value movements on revaluation of the investment property £2,027,220 (2020: £2,027,220) net of deferred tax of £199,834 (2020: £151,874).

LIONEL HITCHEN LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	At 1 October 2020 £	Cash flows £	Other non- cash changes £	At 30 September 2021 £
Cash at bank and in hand	15,866,827	1,371,592	(182,893)	17,055,526
	<u>15,866,827</u>	<u>1,371,592</u>	<u>(182,893)</u>	<u>17,055,526</u>

The notes on pages 17 to 36 form part of these financial statements.

LIONEL HITCHEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. General information and basis of accounting

Lionel Hitchen Limited is a private company limited by shares and registered in England and Wales (registered number: 00838331).

The registered office is Virginia Works, Greenwich Way, Andover, Hampshire, SP10 4JX.

The nature of the group's operations and its principal activities is that of the purchase of raw materials (oils and spices), manufacturing them and selling them on to customers.

The financial statements are presented in Sterling, which is the functional currency of the group.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Cash flow statement

The company has taken advantage of the exemption conferred by FRS 102 not to prepare a cash flow statement on the grounds that the company is a qualifying entity and is a member of the group headed by Allos Holdings Limited, and the company is included in consolidated financial statements, which includes a cash flow statement.

LIONEL HITCHEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

2. Accounting policies (continued)

2.4 Going concern

The group's business activities, together with the factors likely to affect its future development and performance are set out in the strategic report.

Having reviewed future forecasts, allowing for reasonable effects of current and future market conditions and any impact of the COVID-19 pandemic, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. Accordingly, during the uncertainty of the current COVID-19 pandemic, they continue to adopt the going concern basis in preparing the annual financial statements.

2.5 Foreign currency translation

Functional and presentation currency

The Company's and Group's functional and presentational currency is GBP, as this is the currency of the primary economic environment in which the Company and Group operates. Foreign operations are included in accordance with the policies below.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

LIONEL HITCHEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

2. Accounting policies (continued)

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

Depreciation is provided on the following basis:

Plant and machinery	-	15% per annum on cost
Motor vehicles	-	25% per annum on written down value
Fixtures and fittings	-	15% per annum on cost
Computer equipment	-	25% per annum on cost

The 'assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.8 Valuation of investments

In the financial statements of Lionel Hitchen Limited, the investments held as fixed assets are stated at cost less provision for any impairment.

LIONEL HITCHEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

2. Accounting policies (continued)

2.9 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to net realisable value. Stock is measured at actual cost. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Provision is made for obsolete, slow-moving or defective items.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

LIONEL HITCHEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

2. Accounting policies (continued)

2.11 Employee benefits

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.13 Operating leases

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

2.14 Research and development

Research expenditure is written off as incurred. Development expenditure is written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects.

LIONEL HITCHEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

2. Accounting policies (continued)

2.15 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.18 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.20 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

LIONEL HITCHEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)

2.20 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There are no critical accounting judgements or key sources of estimation uncertainty at the reporting date.

4. Turnover

Turnover is stated net of VAT, and is recognised when significant risks and rewards are considered to be transferred to the buyer.

A geographical analysis and class of business analysis is not presented as, in the opinion of the directors, this would be prejudicial to the interests of the group.

LIONEL HITCHEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

5. Operating profit

The operating profit is stated after charging/(crediting):

	2021	2020
	£	£
Research and development	196,850	193,235
(Profit)/loss on sale of fixed assets	1,026	(1,250)
Fees payable to the Group's auditor for the audit of the Group's financial statements	27,000	27,000
Fees payable to the Group's auditor for taxation services	4,000	4,000
Depreciation	344,662	319,108
	<u>344,662</u>	<u>319,108</u>

The profit for the financial year of the parent company was £4,958,968 (2020: £5,761,410). As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the company.

6. Other operating income

	2021	2020
	£	£
Rent receivable	337,883	56,314
	<u>337,883</u>	<u>56,314</u>

The future minimum lease income receivable under non-cancellable operating leases are:

	2021	2020
	£	£
Less than one year	193,213	337,883
One to five years	243,203	398,676
More than five years	99,801	131,445
	<u>536,217</u>	<u>868,004</u>

LIONEL HITCHEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	5,866,454	5,053,186
Social security costs	643,877	513,772
Costs of defined contribution scheme	391,512	322,469
	<u>6,901,843</u>	<u>5,889,427</u>

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Employees	<u>124</u>	<u>115</u>	<u>123</u>	<u>114</u>

8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	1,501,251	992,650
Group contributions to defined contribution pension schemes	59,548	58,749
	<u>1,560,799</u>	<u>1,051,399</u>

During the year retirement benefits were accruing to 7 directors (2020 - 7) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £531,079 (2020 - £412,861).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £27,454 (2020 - £27,371).

Key management personnel costs during the year were £741,285 (2020: £673,500). All directors represent key management personnel.

LIONEL HITCHEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

9. Interest receivable

	2021 £	2020 £
Other interest receivable	3,962	82,856
	<u>3,962</u>	<u>82,856</u>

10. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	1,174,046	751,291
Adjustments in respect of previous periods	(33,308)	-
Foreign tax		
Foreign tax on income for the year	31,247	38,013
Total current tax	<u>1,171,985</u>	<u>789,304</u>
Deferred tax		
Deferred tax charge	109,020	207,938
Total deferred tax	<u>109,020</u>	<u>207,938</u>
Taxation on profit on ordinary activities	<u>1,281,005</u>	<u>997,242</u>

LIONEL HITCHEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	6,285,528	6,285,528
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	1,194,250	1,286,104
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	41,692	(44,409)
Capital allowances for year in excess of depreciation	1,305	(35,682)
Adjustments to tax charge in respect of prior periods	(33,308)	-
Non-trade expenses disallowed for tax purposes	30	-
Fair value adjustment	-	(385,172)
Research and development	(48,622)	(47,729)
Double taxation relief	(25,763)	(21,810)
Profits of overseas subsidiaries taxed at a higher rate of tax	31,247	38,001
Deferred tax	109,020	207,939
Unrealised profit on stock	11,154	-
Total tax charge for the year	1,281,005	997,242

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

LIONEL HITCHEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

11. Tangible fixed assets

Group

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 October 2020	5,035,776	48,511	452,980	538,355	6,075,622
Additions	293,710	-	-	13,291	307,001
Disposals	-	(24,256)	(62,005)	(107,879)	(194,140)
Exchange adjustments	-	-	(70)	-	(70)
At 30 September 2021	5,329,486	24,255	390,905	443,767	6,188,413
Depreciation					
At 1 October 2020	4,030,380	45,551	404,242	335,324	4,815,497
Charge for the year on owned assets	254,930	678	9,804	79,250	344,662
Disposals	-	(23,083)	(61,998)	(100,496)	(185,577)
Exchange adjustments	-	-	(63)	-	(63)
At 30 September 2021	4,285,310	23,146	351,985	314,078	4,974,519
Net book value					
At 30 September 2021	1,044,176	1,109	38,920	129,689	1,213,894
At 30 September 2020	1,005,396	2,960	48,738	203,031	1,260,125

LIONEL HITCHEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

11. Tangible fixed assets (continued)

Company

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 October 2020	5,035,775	48,511	451,186	538,355	6,073,827
Additions	293,710	-	-	13,291	307,001
Disposals	-	(24,256)	(62,005)	(107,879)	(194,140)
At 30 September 2021	<u>5,329,485</u>	<u>24,255</u>	<u>389,181</u>	<u>443,767</u>	<u>6,186,688</u>
Depreciation					
At 1 October 2020	4,030,381	45,551	402,601	335,324	4,813,857
Charge for the year on owned assets	254,930	678	9,716	79,250	344,574
Disposals	-	(23,083)	(61,998)	(100,496)	(185,577)
At 30 September 2021	<u>4,285,311</u>	<u>23,146</u>	<u>350,319</u>	<u>314,078</u>	<u>4,972,854</u>
Net book value					
At 30 September 2021	<u>1,044,174</u>	<u>1,109</u>	<u>38,862</u>	<u>129,689</u>	<u>1,213,834</u>
At 30 September 2020	<u>1,005,394</u>	<u>2,960</u>	<u>48,585</u>	<u>203,031</u>	<u>1,259,970</u>

LIONEL HITCHEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

12. Investment property

Group

Freehold
investment
property
£

Valuation

At 1 October 2020

3,825,000

At 30 September 2021

3,825,000

The investment property was valued by the directors as at 30 September 2021 on an open market basis.

The historical cost is £1,797,780 (2020: £1,797,780).

The 2021 valuations were made by the directors based, on an open market value for existing use basis.

Company

Freehold
investment
property
£

Valuation

At 1 October 2020

3,825,000

At 30 September 2021

3,825,000

The 2021 valuations were made by the directors based, on an open market value for existing use basis.

LIONEL HITCHEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2020	85,000
At 30 September 2021	<u>85,000</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Lionel Hitchen USA Limited	Virginia Works, Greenwich Way, Andover, Hampshire, SP10 4JX	Merchants of flavouring materials to the United States of America.	85,000 ordinary shares at £1	100%

14. Stocks

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Raw materials and consumables	12,879,462	8,402,986	12,879,462	8,402,986
Finished goods	5,354,567	4,540,970	5,079,720	4,230,047
	<u>18,234,029</u>	<u>12,943,956</u>	<u>17,959,182</u>	<u>12,633,033</u>

LIONEL HITCHEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

15. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	8,734,992	7,128,956	8,452,709	6,753,267
Amounts owed by group undertakings	-	428,908	582,012	830,528
Other debtors	1,576,594	663,249	1,569,771	663,250
Prepayments	153,494	308,838	153,494	308,635
	10,465,080	8,529,951	10,757,986	8,555,680

The amounts due from Lionel Hitchen USA Limited are non-interest bearing and are repayable on demand. All amounts shown under debtors are unsecured.

16. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	17,055,526	15,866,827	15,670,010	14,827,759
	17,055,526	15,866,827	15,670,010	14,827,759

17. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	1,534,708	1,104,045	1,531,949	1,100,448
Corporation tax	542,254	216,188	542,254	216,188
Other taxation and social security	129,332	122,401	129,332	122,400
Other creditors	162,365	133,000	158,722	113,172
Accruals and deferred income	4,355,497	2,126,297	4,355,497	2,126,297
	6,724,156	3,701,931	6,717,754	3,678,505

LIONEL HITCHEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

18. Creditors: Amounts falling due after more than one year

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Accruals	326,756	<i>109,423</i>	326,756	<i>109,423</i>
	<u>326,756</u>	<i><u>109,423</u></i>	<u>326,756</u>	<i><u>109,423</u></i>

19. Financial instruments

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Financial assets				
Financial assets measured at fair value through profit or loss	17,055,526	<i>15,866,827</i>	15,670,010	<i>14,827,759</i>
Financial assets measured at amortised cost	8,900,565	<i>7,284,379</i>	9,200,295	<i>7,739,217</i>
	<u>25,956,091</u>	<i><u>23,151,206</u></i>	<u>24,870,305</u>	<i><u>22,566,976</u></i>
Financial liabilities				
Financial liabilities measured at amortised cost	(6,325,328)	<i>(3,409,423)</i>	(6,328,085)	<i>(3,402,152)</i>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, amounts owed to group undertakings and accruals.

LIONEL HITCHEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

20. Deferred taxation

Group

	2021	2020
	£	£
At beginning of year	(334,667)	(126,729)
Charged to profit or loss	(109,020)	(207,938)
At end of year	<u>(443,687)</u>	<u>(334,667)</u>

	Group	<i>Group</i>	Company	<i>Company</i>
	2021	<i>2020</i>	2021	<i>2020</i>
	£	<i>£</i>	£	<i>£</i>
Accelerated capital allowances	(243,853)	<i>(182,793)</i>	(243,853)	<i>(182,793)</i>
Revaluation of investment property	(199,834)	<i>(151,874)</i>	(199,834)	<i>(151,874)</i>
	<u>(443,687)</u>	<i><u>(334,667)</u></i>	<u>(443,687)</u>	<i><u>(334,667)</u></i>

LIONEL HITCHEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

21. Share capital

	2021 £	2020 £
Authorised		
50,000 (2020 - 50,000) Ordinary Shares of £1.00 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid		
21,001 (2020 - 21,001) Ordinary Shares of £1.00 each	<u>21,001</u>	<u>21,001</u>

22. Capital commitments

There were no capital commitments at 30 September 2021 (2020:£nil).

23. Commitments under operating leases

At 30 September 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Less than one year	488,581	808,883	488,581	808,883
One to five years	1,954,324	2,753,676	1,954,324	2,753,676
More than 5 years	2,565,050	4,370,445	2,565,050	4,370,445
	<u>5,007,955</u>	<u>7,933,004</u>	<u>5,007,955</u>	<u>7,933,004</u>

24. Related party transactions

The company conducts business with its parent on an arm's length basis. Some of the directors of Lionel Hitchen Limited are the directors of Allos Holdings Limited.

At 30 September 2021, the amounts due to Allos Holdings Limited was £NIL (2020: £428,908 due from).

During the year to 30 September 2021, the company paid rent of £488,581 (2020: £480,183) to Allos Holdings Limited.

LIONEL HITCHEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

25. Ultimate parent company

The company is a subsidiary of Allos Holdings Limited, company registration no. 10024943, which is incorporated in the United Kingdom. The ultimate parent company and controlling entity is Allos Holdings Limited, whose registered office is 5 The Links, Ascot, Berkshire, SL5 7TN.

The parent company of the largest group in which the results are consolidated is Allos Holdings Limited. Copies of these group financial statements are available from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF14.