

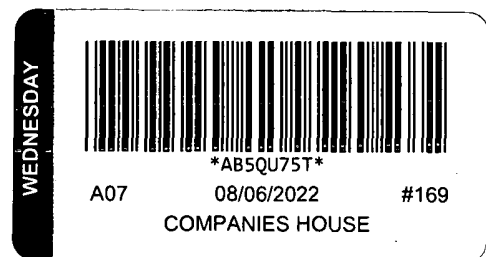
## **BHJ UK Food Limited**

Annual Report and Financial Statements

Year Ended

31 December 2021

Company Number 00884312



# BHJ UK Food Limited

## Company Information

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|                            |   |
|----------------------------|---|
| <b>Directors</b>           | J P Constable<br>C O Mattesen<br>T Matzen   |
| <b>Company secretary</b>   | J P Constable   |
| <b>Registered number</b>   | 00884312  |
| <b>Registered office</b>   | Minster House<br>23 Flemingate<br>Beverley<br>East Yorkshire<br>HU17 0NP                    |
| <b>Independent auditor</b> | BDO LLP<br>Central Square<br>29 Wellington Street<br>Leeds<br>LS1 4DL                       |
| <b>Bankers</b>             | Handelsbanken<br>Ground Floor<br>2 Trinity Court<br>Broadlands<br>Wolverhampton<br>WV10 6UH |
| <b>Solicitors</b>          | Andrew Jackson Solicitors<br>Marina Court<br>Castle Street<br>Hull<br>HU1 1TJ               |

# BHJ UK Food Limited

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# **BHJ UK Food Limited**

## **Strategic Report For the Year Ended 31 December 2021**

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The directors present their strategic report together with the audited financial statements for the year ended 31 December 2021.

### **Business review**

The statement of comprehensive income shows turnover for the period of 12,641,647 and profit before tax for the period of £560,303. Turnover in 2021 has decreased as there has been a slight fall in volumes offset by higher prices/margins. Total volumes have decreased by 36% compared to 2020 levels due to an increasingly competitive market and closure of some business's due to the pandemic but this has been mitigated by the increase in meat market prices from the lows of 2020.

The profit after tax for the year has decreased by £56,491 compared to 2020. The company expects an increase in turnover for 2022 with profit higher than 2021 levels. Stock levels have decreased compared to 2020 levels ending the year with £340,387 for 2021 (2020 - £524,052). The company expects the stock levels to remain low throughout 2022.

### **Going concern**

The directors have assessed the going concern status of the company by reference to a number of factors. The business continues not to be too reliant on any single supplier or customers. 2021 has been a year of much uncertainty and the food industry has not hidden from the world wide pandemic nor the complications of Brexit. Nonetheless the company has been very robust in the way that it has been able to continue under such adversity, we have managed to ride the wave of uncertainty in 2021 and feel as though the projections we have for 2022 and beyond are in line with the demand for food items, the opening up of the food industry will improve the market on the aftermath of the pandemic.

BHJ play an important role in the supply chain and movement of animal by-products to various industries that mean the business is on a solid foundation. Whilst the going concern assumption remains appropriate all action will be taken to mitigate any risk; with a small team the business can change its direction very quickly to every day demands and challenges. Brexit has been a good example of this where the business has performed very well under very difficult trading circumstances and the company continues to look for new opportunities. Therefore, although uncertainty still exists within the market as the pandemic and Brexit continues within the UK Market into 2022, the company has performed extremely well in such turbulent times, generated strong profits and remained cash positive throughout and into 2022, and has the support of its parent in the form of Cash pool facilities and other benefits of operation efficiency that come with working within a large group. Brexit adversely impacted the business in January 2021 with the new rules and regulations not really understood by the industry. With this is now clarified, the EU market has started taking products again in February 2021, and the business returned to normal volumes. The directors have also assessed the indirect impacts of the wider group activity overseas in relation to Ukraine and Russia, to which have no bearing on UK operations or activities. The directors therefore deem there is no material uncertainty for the company's going concern status.

For more information, see note 2.3 to the financial statements.

### **Financial key performance indicators**

The company closely monitors EBITDA to ensure that adequate margins are maintained.

### **Other key performance indicators**

The company incorporates numerous qualitative and quantitative measures within its daily working practices to monitor and improve the company's performance.

# BHJ UK Food Limited

## Strategic Report (continued) For the Year Ended 31 December 2021

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### Principal risks and uncertainties

The meat industry is highly competitive and the continued integration of the business remains the greatest challenge to the business. The business continues to be a key customer and supplier to many long term strategic customers and its position in the global market continues to show strength for all their strategic partners, the values of the company are represented by its employees and how the business performs on a daily basis.

Debtors are in line and all customers are credit insured as per our company policy, so the credit risk is limited. Stock levels are considered and managed weekly and quick turnover of stock reduces any risk of holding stocks significantly.

The company monitors cashflow daily and is part of a group cash pooling arrangement and the directors are comfortable in this position.

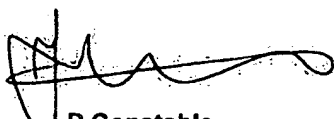
Some conditions are out of our control but we mitigate the risks, assess them and react in a timely manner. Our BRC certification gives us a guideline in food safety and how to mitigate challenges, which we continue to implement in our daily duties and challenges. We have a team meeting every week and ensure our team are safe and well and support them in their daily work. The safe and well being of all the team is essential to the success of our business and this is at a forefront of our development within the whole of BHJ.

We continue to perform well and this is monitored by management as we continue to look at the challenges presented and see if there is a better or smarter way of implementing change when necessary. We have the technology to work from the office or home and this has meant that our business can continue under any new uncertainties.

This report was approved by the board on

16/5/22

and signed on its behalf,



**P Constable**  
Director

# BHJ UK Food Limited

## Directors' Report For the Year Ended 31 December 2021

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The directors present their report together with the audited financial statements for the year ended 31 December 2021.

### Principal activity

The company's principal activity is meat/protein trading.

### Business review

A review of the business and its principal risks and uncertainties is set out in the strategic report on page 1 to 2 of these financial statements.

### Going concern

The directors are satisfied that the company has sufficient financial resources to continue to operate for the foreseeable future, which is considered to be at least 12 months from the date of approval of the financial statements. For this reason, the going concern basis is considered appropriate for the preparation of the financial statements (for more information, see note 2.3 to the financial statements and the Strategic Report).

### Results and dividends

The profit for the year, after taxation, amounted to £457,724 (2020 - £514,215).

During the year, a dividend totaling £500,000 (2020 - £699,997) was declared and paid in respect of 2020. The directors recommend the payment of a dividend in respect of 2021 totaling £400,000, to be paid during the 2022 financial year.

### Directors

The directors who served during the year were:

J P Constable  
C O Mattesen  
T Matzen

### Disclosure of information to auditor

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's auditor is 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's auditor is aware of that information.

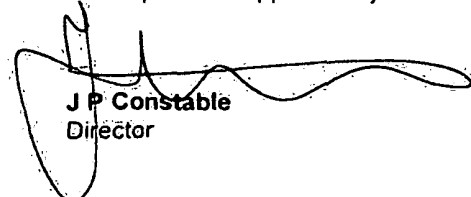
### Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

16/5/22

and signed on its behalf.

  
J P Constable  
Director

# **BHJ UK Food Limited**

## **Directors' Responsibilities Statement For the Year Ended 31 December 2021**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law 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; 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.

# **BHJ UK Food Limited**

## **Independent Auditor's Report to the Members of BHJ UK Food Limited**

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### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its 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.

We have audited the financial statements of BHJ UK Food Limited ("the Company") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, 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).

### **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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

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.

### **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.



# **BHJ UK Food Limited**

## **Independent Auditor's Report to the Members of BHJ UK Food Limited (continued)**

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### **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 Companies Act 2006 reporting**

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 year ended 31 December 2021 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.

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 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 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, 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.

# BHJ UK Food Limited

## Independent Auditor's Report to the Members of BHJ UK Food Limited (continued)

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### 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.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of the audit we gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company that were contrary to applicable laws and regulations, including fraud. We considered the Company's compliance with laws and regulations that have a direct impact on the financial statements including, but not limited to, UK company law and UK tax legislation and we considered the extent to which non-compliance might have a material effect on the Company's financial statements.

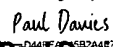
Based on our understanding we designed our audit procedures to identify instances of non-compliance with such laws and regulations. Our procedures included reviewing the financial statement disclosures and agreeing to underlying supporting documentation where necessary. We made enquiries of management and of the Directors as to the risks of non-compliance and any instances thereof. We also addressed the risk of management override of internal controls, including testing journal entries processed during and subsequent to the year and evaluating whether there was evidence of bias by Directors that represented a risk of material misstatement due to fraud. We also applied a detailed risk assessment approach to our audit of revenue, by considering what could go wrong within each of the Company's revenue streams and designed a series of tests to combat risks of material misstatement within revenue recognition, whether that be due to fraud or error.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

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.

DocuSigned by:  
  
**Paul Davies** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
Leeds, UK  
16 May 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# BHJ UK Food Limited

## Statement of Comprehensive Income For the Year Ended 31 December 2021

|  | Note | 2021<br>£        | 2020<br>£        |
|--|------|------------------|------------------|
| Turnover                                       | 4    | 12,641,647       | 22,836,606       |
| Cost of sales                                  |      | (11,322,551)     | (21,261,187)     |
| <b>Gross profit</b>                            |      | <b>1,319,096</b> | <b>1,575,419</b> |
| Distribution costs                             |      | (534,770)        | (578,688)        |
| Administrative expenses                        |      | (247,023)        | (259,844)        |
| Other operating income/(expenses)              | 5    | 19,872           | (102,099)        |
| <b>Operating profit</b>                        | 6    | <b>557,175</b>   | <b>634,788</b>   |
| Interest receivable and similar income         | 9    | 3,391            | 486              |
| Interest payable and similar charges           | 10   | (263)            | (1,311)          |
| <b>Profit before tax</b>                       |      | <b>560,303</b>   | <b>633,963</b>   |
| Tax on profit                                  | 11   | (102,579)        | (119,748)        |
| <b>Profit for the financial year</b>           |      | <b>457,724</b>   | <b>514,215</b>   |
| Other comprehensive income                     |      | -                | -                |
| <b>Total comprehensive income for the year</b> |      | <b>457,724</b>   | <b>514,215</b>   |

The notes on pages 11 to 22 form part of these financial statements.

**BHJ UK Food Limited**

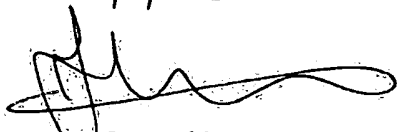
Registered number: 00884312

**Statement of Financial Position  
As at 31 December 2021**

|   | Note | 2021<br>£        | 2021<br>£      | 2020<br>£        | 2020<br>£        |
|---|------|------------------|----------------|------------------|------------------|
| <b>Fixed assets</b>                                     |      |                  |                |                  |                  |
| Tangible assets   | 13   |                  | 94             |                  | 3,811            |
| <b>Current assets</b>                                   |      |                  |                |                  |                  |
| Stocks  | 14   | 340,387          |                | 524,052          |                  |
| Debtors: amounts falling due within one year            | 15   | 1,855,754        |                | 2,428,537        |                  |
| Cash at bank and in hand                                |      | 131              |                | 130              |                  |
|   |      | <u>2,196,272</u> |                | <u>2,952,719</u> |                  |
| Creditors: amounts falling due within one year          | 16   | (1,240,647)      |                | (1,918,535)      |                  |
| <b>Net current assets</b>                               |      |                  | <u>955,625</u> |                  | <u>1,034,184</u> |
| <b>Total assets less current liabilities</b>            |      |                  | <u>955,719</u> |                  | <u>1,037,995</u> |
| Creditors: amounts falling due after more than one year | 17   |                  | -              |                  | (40,000)         |
| <b>Net assets</b>                                       |      |                  | <u>955,719</u> |                  | <u>997,995</u>   |
| <b>Capital and reserves</b>                             |      |                  |                |                  |                  |
| Called up share capital                                 | 19   |                  | 400,000        |                  | 400,000          |
| Profit and loss account                                 | 20   |                  | 555,719        |                  | 597,995          |
| <b>Total equity</b>                                     |      |                  | <u>955,719</u> |                  | <u>997,995</u>   |

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

16/5/22

  
J.P. Constable  
Director

The notes on pages 11 to 22 form part of these financial statements.

## BHJ UK Food Limited

### Statement of Changes in Equity For the Year Ended 31 December 2021

|  | Called up<br>share capital<br>£ | Profit and<br>loss account<br>£ | Total equity<br>£ |
|--|---------------------------------|---------------------------------|-------------------|
| At 1 January 2021                              | 400,000                         | 597,995                         | 997,995           |
| <b>Comprehensive income for the year</b>       |                                 |                                 |                   |
| Profit for the year                            | -                               | 457,724                         | 457,724           |
| <b>Total comprehensive income for the year</b> | -                               | 457,724                         | 457,724           |
| Dividends: Equity capital                      | -                               | (500,000)                       | (500,000)         |
| <b>Total transactions with owners</b>          | -                               | (500,000)                       | (500,000)         |
| <b>At 31 December 2021</b>                     | <b>400,000</b>                  | <b>555,719</b>                  | <b>955,719</b>    |

### Statement of Changes in Equity For the Year Ended 31 December 2020

|  | Called up<br>share capital<br>£ | Profit and<br>loss account<br>£ | Total equity<br>£ |
|--|---------------------------------|---------------------------------|-------------------|
| At 1 January 2020                              | 400,000                         | 783,777                         | 1,183,777         |
| <b>Comprehensive income for the year</b>       |                                 |                                 |                   |
| Profit for the year                            | -                               | 514,215                         | 514,215           |
| <b>Total comprehensive income for the year</b> | -                               | 514,215                         | 514,215           |
| Dividends: Equity capital                      | -                               | (699,997)                       | (699,997)         |
| <b>Total transactions with owners</b>          | -                               | (699,997)                       | (699,997)         |
| <b>At 31 December 2020</b>                     | <b>400,000</b>                  | <b>597,995</b>                  | <b>997,995</b>    |

The notes on pages 11 to 22 form part of these financial statements.

# BHJ UK Food Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 1. General information

BHJ UK Food Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity are set out in the directors' report.

### 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 management to exercise judgement in applying the company accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

#### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of LGI International Holding S.á.r.l. as at 31 December 2021 and these financial statements may be obtained from Ulsnaes 33 - DK 6300 Gråsten, Denmark.

# **BHJ UK Food Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2021**

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### **2. Accounting policies (continued)**

#### **2.3 Going concern**

The directors have reviewed whether the company has adequate resources to continue in operational existence for the foreseeable future, which is considered to be at least the next 12 months from the date of approval of the financial statements. They have done so in the context of the COVID-19 pandemic, Brexit and the ongoing geo-political crisis in Ukraine to consider potential impacts on the operational and financial performance of the business.

In conducting this review, the directors have considered a range of factors including the different market sectors served by the entity, the stability of demand, and the fact that the business is not overly dependent on any single customer or supplier and that the company continues to retain staff. Specifically in respect of the impact of COVID- 19, the directors have considered the potential for product demand to fall, inbound supply to be interrupted, as well as potential tightening of government restrictions on those businesses permitted to continue to operate. The directors consider of particular importance that 100% of the revenues are derived from customers within the food supply chain, where they do not foresee a significant downturn in order activity during this challenging time. Equally, the business has traded successfully throughout the previous two financial periods and therefore has experience of potential downsides in modelling various outcomes of both further lockdowns and COVID related macro-economic impacts and the logistical impacts of the cessation of Brexit transition period. Furthermore, the directors have considered the ongoing geo-political crisis in the context of macro-economic impacts such as the rising cost of energy and freight, and also considering any indirect impacts via supply chain and global infrastructure within the wider group in the wake of the Ukraine tensions.

In undertaking their review, the directors have prepared financial projections for the next 12 months from the date of approval of the financial statement, which, absent any COVID- 19 effects, assume stable revenues and cost efficiency. They have then applied a sensitivity based on lower revenues as a result of the potential effects of COVID- 19 described above and the impact of a rising cost base in the wake of the rising cost of living and geo-political crisis. This sensitivity also considers mitigating actions available to the directors, including taking advantage of government assistance, deferring HMRC payments, deferring non- essential spend, and sourcing financial support from the wider group if required. It is also prevalent that this downside sensitivity was not actually realised during 2020 performance, the first real impacts of COVID- 19 in businesses. The company performed extremely well throughout 2021, highlighted by strong profits and cash positive positions and therefore downside sensitivities are not expected to be the actual result, but provide the basis of the going concern assumptions and conclusions for the foreseeable future.

In respect of support from the wider group, the directors have sought and received written confirmation from the company's immediate parent, LGI Denmark ApS, that it will make available any funding necessary to allow the company to meet its obligations for the next 12 months, including ongoing access to the group cash pool facility. The directors have also assessed the indirect impacts of the wider group activity overseas in relation to Ukraine and Russia, to which have no bearing on UK operations or activities.

Based on this review and downside sensitivity, the directors have concluded that the company has adequate resources to meet its liabilities as they fall due and continue in operational existence for the foreseeable future and consequently, the directors have adopted the going concern basis in preparing the financial statements.

# BHJ UK Food Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.4 Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Turnover is recognised on the delivery of goods when the risks and rewards of ownership have passed to the customer.

Turnover in which the company is acting as an agent in the relationship, is recognised only on the commissions that are due from the relationship, rather than the gross sale of the transaction.

#### 2.5 Tangible fixed assets

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

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:

|                       |   |               |
|-----------------------|---|---------------|
| Fixtures and fittings | - | 25% per annum |
|-----------------------|---|---------------|

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.

#### 2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each reporting 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.

#### 2.7 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.

#### 2.8 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.



# **BHJ UK Food Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2021**

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### **2. Accounting policies (continued)**

#### **2.9 Financial instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

#### **2.10 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.

#### **2.11 Foreign currency translation**

##### **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 the statement of comprehensive income 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 statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

#### **2.12 Dividends**

Equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### **2.13 Leased assets: the company as lessee**

Operating lease annual rentals are charged to the statement of comprehensive income on a straight line basis over the term of the lease.

#### **2.14 Pensions**

##### **Defined contribution pension plan**

The company operates a defined contribution plan for its employees. The contributions are recognised as an expense in the income statement when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position.

#### **2.15 Interest income**

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

# BHJ UK Food Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 2. Accounting policies (continued)

#### 2.16 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 reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 reporting date.

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

#### Commissions Turnover

The company earns commissions for the arrangement of goods to be delivered to end customers on behalf of sister companies within the group. The turnover recognised is only that of the commissions and fees due on the arrangement of this service, presented as net of any expenses involved in the arrangement. The directors assess the judgement to be in the substance of the transaction as being an agent rather than principle, primarily due to lack of credit and stock risk the company possess in the transactions that occur.

### 4. Turnover

Analysis of turnover by country of destination:

|                   | 2021<br>£         | 2020<br>£         |
|-------------------|-------------------|-------------------|
| United Kingdom    | 8,689,213         | 12,783,975        |
| Rest of the world | 3,952,434         | 10,052,631        |
|                   | <u>12,641,647</u> | <u>22,836,606</u> |

# BHJ UK Food Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 5. Other operating income/(expenses)

|   | 2021<br>£     | 2020<br>£        |
|---|---------------|------------------|
| Foreign exchange difference - gain/(loss) | <u>19,872</u> | <u>(102,099)</u> |

### 6. Operating profit

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

|   | 2021<br>£         | 2020<br>£         |
|---|-------------------|-------------------|
| Depreciation of tangible assets   | 3,717             | 16,643            |
| Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements | 16,500            | 12,600            |
| Exchange differences  | (19,872)          | 102,099           |
| Inventory recognised as an expense  | <u>10,698,913</u> | <u>19,863,930</u> |

### 7. Employees

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

|                                     | 2021<br>£      | 2020<br>£      |
|-------------------------------------|----------------|----------------|
| Wages and salaries                  | 514,291        | 544,581        |
| Social security costs               | 47,991         | 57,986         |
| Cost of defined contribution scheme | 26,542         | 23,510         |
|                                     | <u>588,824</u> | <u>626,077</u> |

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

|                               | 2021<br>No. | 2020<br>No. |
|-------------------------------|-------------|-------------|
| Management and administration | 6           | 6           |
| Sales                         | 4           | 4           |
|                               | <u>10</u>   | <u>10</u>   |

# BHJ UK Food Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 8. Directors' remuneration

|                       | 2021<br>£      | 2020<br>£      |
|-----------------------|----------------|----------------|
| Directors' emoluments | <u>175,904</u> | <u>292,181</u> |

During the year retirement benefits were accruing to 1 director (2020 - 1) in respect of defined contribution schemes.

The highest paid director received remuneration of £168,175 (2020 - £166,994).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,016 (2020 - £10,092).

### 9. Interest receivable and similar income

|                           | 2021<br>£    | 2020<br>£  |
|---------------------------|--------------|------------|
| Other interest receivable | <u>3,391</u> | <u>486</u> |

### 10. Interest payable and similar charges

|                       | 2021<br>£  | 2020<br>£    |
|-----------------------|------------|--------------|
| Bank interest payable | <u>263</u> | <u>1,311</u> |

# BHJ UK Food Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 11. Taxation

|  | 2021<br>£      | 2020<br>£      |
|--|----------------|----------------|
| <b>Corporation tax</b>                           |                |                |
| Current tax on profits for the year              | 107,523        | 124,017        |
| Adjustments in respect of previous periods       | (642)          | (1)            |
| <b>Total current tax</b>                         | <b>106,881</b> | <b>124,016</b> |
| <b>Deferred tax</b>                              |                |                |
| Origination and reversal of timing differences   | (1,188)        | (3,302)        |
| Adjustments in respect of prior periods          | 627            | -              |
| Effect of tax rate change on opening balance     | (3,741)        | (966)          |
| <b>Total deferred tax</b>                        | <b>(4,302)</b> | <b>(4,268)</b> |
| <b>Taxation on profit on ordinary activities</b> | <b>102,579</b> | <b>119,748</b> |

#### Factors affecting tax charge for the year

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

|  | 2021<br>£      | 2020<br>£      |
|--|----------------|----------------|
| Profit on ordinary activities before tax   | 560,303        | 633,963        |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%) | 106,458        | 120,453        |
| <b>Effects of:</b>   |                |                |
| Expenses not deductible for tax purposes   | 162            | 262            |
| Adjustments to tax charge in respect of prior periods  | (642)          | (1)            |
| Adjustments to tax charge in respect of previous periods - deferred tax                                    | 627            | -              |
| Remeasurement of deferred tax for changes in tax rates   | (4,027)        | (966)          |
| Other adjustments  | 1              | -              |
| <b>Total tax charge for the year</b>   | <b>102,579</b> | <b>119,748</b> |

# BHJ UK Food Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 11. Taxation (continued)

#### Factors that may affect future tax charges

Increases in the UK Corporation tax rate from 19% to 25% (19% effective from 1 April 2017, and 25% effective from 1 April 2023) have been substantively enacted. This will impact the company's future tax charge accordingly. The value of the deferred tax asset at the statement of financial position date has been calculated using the applicable rate when the asset is expected to be realised.

### 12. Dividends

|  | 2021<br>£ | 2020<br>£ |
|--|-----------|-----------|
| Paid in year - final proposed dividends for the prior period | 500,000   | 699,997   |

The proposed final dividend has not been accrued for as the dividend was declared after the statement of financial position date. The proposed dividend in the year was £500,000 (2020 - £699,997).

### 13. Tangible fixed assets

|                       | Fixtures and fittings<br>£ |
|-----------------------|----------------------------|
| <b>Cost</b>           |                            |
| At 1 January 2021     | 119,027                    |
| Disposals             | (60,289)                   |
| At 31 December 2021   | 58,738                     |
| <b>Depreciation</b>   |                            |
| At 1 January 2021     | 115,216                    |
| Charge for the year   | 3,717                      |
| Disposals             | (60,289)                   |
| At 31 December 2021   | 58,644                     |
| <b>Net book value</b> |                            |
| At 31 December 2021   | 94                         |
| At 31 December 2020   | 3,811                      |

# BHJ UK Food Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 14. Stocks

|                                     | 2021<br>£      | 2020<br>£      |
|-------------------------------------|----------------|----------------|
| Finished goods and goods for resale | <b>340,387</b> | <b>524,052</b> |

There is no material difference between the replacement cost of stocks and the amounts stated above.

### 15. Debtors: amounts falling due within one year

|                                    | 2021<br>£        | 2020<br>£        |
|------------------------------------|------------------|------------------|
| Trade debtors                      | <b>716,081</b>   | 1,093,714        |
| Amounts owed by group undertakings | <b>1,072,604</b> | 1,302,385        |
| Other debtors                      | <b>11,194</b>    | 16,920           |
| Prepayments and accrued income     | <b>7,756</b>     | 3,043            |
| Corporation tax repayable          | <b>31,342</b>    | -                |
| Deferred taxation (Note 18)        | <b>16,777</b>    | 12,475           |
|                                    | <b>1,855,754</b> | <b>2,428,537</b> |

The impairment loss recognised in profit or loss for the year in respect of bad and doubtful trade debtors was £Nil (2020 - £4,301).

In consultation with the directors of the parent company and with the bank, the directors consider that although cash and overdraft facilities are held and managed locally, the rights and obligation in respect of these are held with the parent company. As such, the intercompany debtor figures reflect an element of this cash pool facility of which the company has a positive cash position of £795,706 (2020 - £1,035,853).

### 16. Creditors: amounts falling due within one year

|                                    | 2021<br>£        | 2020<br>£        |
|------------------------------------|------------------|------------------|
| Trade creditors                    | <b>873,232</b>   | 1,376,804        |
| Amounts owed to group undertakings | <b>30,748</b>    | 60,352           |
| Corporation tax                    | -                | 90,671           |
| Other taxation and social security | <b>16,681</b>    | 19,064           |
| Other creditors                    | <b>40,000</b>    | 40,000           |
| Accruals and deferred income       | <b>279,986</b>   | 331,644          |
|                                    | <b>1,240,647</b> | <b>1,918,535</b> |

# BHJ UK Food Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 17. Creditors: amounts falling due after more than one year

|                 | 2021<br>£ | 2020<br>£ |
|-----------------|-----------|-----------|
| Other creditors | -         | 40,000    |

### 18. Deferred taxation

|                           | 2021<br>£     |
|---------------------------|---------------|
| At beginning of year      | 12,475        |
| Charged to profit or loss | 4,302         |
| <b>At end of year</b>     | <b>16,777</b> |

The deferred tax asset is made up as follows:

|                                | 2021<br>£     | 2020<br>£     |
|--------------------------------|---------------|---------------|
| Accelerated capital allowances | 2,068         | 1,214         |
| Sundry timing differences      | 14,709        | 11,261        |
|                                | <b>16,777</b> | <b>12,475</b> |

### 19. Share capital

|   | 2021<br>£      | 2020<br>£      |
|---|----------------|----------------|
| <b>Allotted, called up and fully paid</b> |                |                |
| 400,000 ordinary shares of £1 each        | <b>400,000</b> | <b>400,000</b> |

### 20. Reserves

The company's capital and reserves are as follows:

#### Called up share capital

Called up share capital represents the nominal value of the shares issued.

#### Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.



# BHJ UK Food Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 21. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £26,542 (2020 - £23,510). Contributions totalling £6,847 (2020 - £7,277) were payable to the fund at the reporting date and are included in creditors.

### 22. Related party transactions

£Nil (2020 - £Nil) has been paid to the directors, in respect of directors loans, in the year. An amount of £Nil is payable to a statutory director who retired in the previous year, subject to satisfaction of a number of conditions. The directors believe that these conditions are likely to be met, and that it appropriate to classify this liability within other creditors (£40,000 payable in 2022 and shown in note 16, and £Nil payable in greater than one year and shown in note 17).

In addition to the above transactions, the wife of J P Constable was employed by the company and received £14,961 (2020 - £14,961) for her services during the year.

No other remuneration has been paid to key management personnel that has not already been disclosed in note 8.

The company has taken advantage of the exemption conferred by section 33.1A of FRS102 not to disclose transactions with other wholly owned subsidiaries within the group as consolidated accounts, including the subsidiary undertakings, are publicly available.

### 23. Controlling party

The company is controlled by LGI Denmark Aps, the company's immediate parent company, incorporated in Denmark. The ultimate parent company is The Lauridsen Group Inc., a company registered in the USA.

The largest group in which the results of the company are consolidated is that headed by The Lauridsen Group Inc., incorporated in the USA. The smallest group in which they are consolidated is that headed by LGI International Holding S.à.r.l., incorporated in Luxembourg. The consolidated accounts of LGI International Holding S.à.r.l. are available to the public and may be obtained from Ulsnaes 33 - DK 6300 Gråsten, Denmark.