

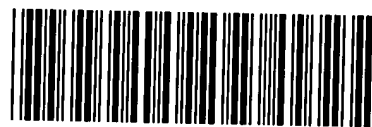
Registered No: 01334487

## **MH Foods Limited**

### **Annual report and Financial Statements**

For the year ended 31 March 2021

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**MH Foods Limited**

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Registered No: 01334487

**Directors**

T A Atherton  
A Braithwaite  
A T Hinds  
M Therrien

**Company Secretary**

I J Hinton

**Auditor**

Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

**Registered office**

5 The Heights  
Brooklands  
Weybridge  
Surrey  
KT13 0NY  
United Kingdom

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## Strategic report

The Directors present their Strategic report for the year ended 31 March 2021.

### Principal activities and future developments

MH Foods Limited ("the Company") is a private company limited by shares. Its principal activity up until 20 February 2021 was the manufacture of cooking oil sprays. On 20 February 2021 the Company's trade and assets were sold to its immediate parent company Dairy Crest Limited for consideration of £66.1 million. Following the sale of trade and assets the Company ceased trading.

### Business review

The profit after taxation for the year ended 31 March 2021 amounted to £69.5 million (2020: £7.1 million). Dividends of £78.9 million were declared and paid during the year (2020: £4.0 million).

### Principal risks and uncertainties

Following the sale of the trade and assets to Dairy Crest Limited, the Company is no longer trading so the risks and mitigating controls are not relevant to the Company.

### Key performance indicators

Key performance indicators for the business were sales and profit before taxation. Turnover for 2021 was £18.7 million showing an increase of 9% compared to 2020. The Company has no non-financial KPIs.

### Commodity price risk

The Company is exposed to fluctuations in raw material prices. Prices are monitored regularly to reduce the impact of such risk.

### Credit risk

The Company trades only with recognised creditworthy third parties. It is the Company policy that all customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debt is not significant.

Agreed by the Board and signed on its behalf by



I J Hinton  
Company Secretary

28 September 2021

## Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2021.

### Directors

The Directors of the Company were as follows:

T A Atherton  
A Braithwaite  
A T Hinds  
M Therrien

### Items disclosed in Strategic report

Future developments and exposure to interest rate, commodity price and credit risk are disclosed in the Strategic report on page 4.

### Directors' and officers' indemnities and insurance

The Company maintains liability insurance for its Directors and Officers. The Directors, Company Secretary and other Officers of the Company are indemnified by the Company to the extent permitted by company law. That indemnity provision has been in place during the year and remains in force.

### Dividends

Dividends of £78.9 million were declared and paid during the year (2020: £4.0 million).

### Going concern

On 20 February 2021 the Company's trade and assets were sold to its immediate parent company Dairy Crest Limited. Following this transaction the Company ceased trading and the financial statements are therefore prepared on a basis other than going concern. No adjustments arose as a result of ceasing to apply the going concern basis.

### Disclosure of information to auditors

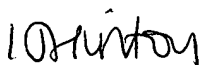
The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware. Each Director has taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Following the completion of the 31 March 2021 audit, the Company's current auditor Deloitte LLP will resign and KPMG LLP will be appointed as the Company's auditor for the year commencing 1 April 2021. The change in auditor is as a result of the appointment of KPMG LLP by the Company's ultimate parent, Saputo Inc.

### Other matters

The Company's ultimate parent undertaking and controlling party from 15 April 2019 is Saputo Inc., a company incorporated in Canada. Saputo Inc's registered office is 6869, Métropolitain Est, Montréal, Québec H1P 1X8, Canada.

Agreed by the Board and signed on its behalf by



I J Hinton  
Company Secretary

28 September 2021

## Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

## **Independent auditor's report to the members of MH Foods Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of MH Foods Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 19.

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 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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of matter - Financial Statements prepared other than on a going concern basis**

We draw attention to note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

#### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Independent auditor's report (continued)

to the members of MH Foods Limited

### Extent to which the audit was considered 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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, pensions and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit, in-house and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

### Report on other legal and regulatory requirements

#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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 any material misstatements in the strategic report or the directors' report.

#### Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

#### 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



William Smith MA FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom

28 September 2021



**Statement of comprehensive income**  
for the year ended 31 March 2021

	<i>Notes</i>	<b>2021 £000</b>	<b>2020 £000</b>
		<b>Discontinued Operations</b>	
<b>Turnover</b>		<b>18,672</b>	<b>17,122</b>
Cost of sales		<b>(8,138)</b>	<b>(7,788)</b>
<b>Gross Profit</b>		<b>10,534</b>	<b>9,334</b>
Distribution costs		<b>(350)</b>	<b>(286)</b>
Administrative expenses		<b>(1,679)</b>	<b>(2,164)</b>
Profit on sale of trade and assets	10	<b>60,916</b>	<b>-</b>
<b>Operating Profit</b>	2	<b>69,421</b>	<b>6,884</b>
Other interest receivable and similar income	4	<b>71</b>	<b>56</b>
<b>Profit before taxation</b>		<b>69,492</b>	<b>6,940</b>
Tax charge on profit	5	<b>45</b>	<b>146</b>
<b>Profit for the year and total comprehensive income</b>		<b>69,537</b>	<b>7,086</b>

# Statement of financial position

as at 31 March 2021

	Notes	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible assets	7	-	1,924
Intangible assets	8	-	3
Investments	9	-	-
		<u>-</u>	<u>1,927</u>
<b>Current assets</b>			
Stocks	11	-	2,222
Debtors	12	-	6,282
Cash at bank and in hand		-	1,191
		<u>-</u>	<u>9,695</u>
<b>Creditors</b>			
Amounts falling due within one year	13	-	(2,239)
<b>Net current assets</b>		<u>-</u>	<u>7,456</u>
<b>Total assets less current liabilities</b>		<u>-</u>	<u>9,383</u>
<b>Provisions for liabilities and charges</b>			
Deferred taxation	14	-	(74)
<b>Net assets</b>		<u>-</u>	<u>9,309</u>
<b>Capital and reserves</b>			
Called up share capital	17	-	-
Profit and loss account		-	9,309
<b>Total shareholders' equity</b>		<u>-</u>	<u>9,309</u>

The financial statements were approved by the Board of Directors and signed on their behalf by:



T A Atherton  
Director

28 September 2021

**Statement of changes in equity**  
for the year ended 31 March 2021

	<i>Notes</i>	<i>Ordinary Shares £000</i>	<i>Profit and loss account £000</i>	<i>Total Equity £000</i>
<b>2021</b>				
At 1 April 2020		-	9,309	9,309
Total comprehensive income		-	69,537	69,537
Equity dividends	6	-	(78,846)	(78,846)
<b>At 31 March 2021</b>		-	-	-
<b>2020</b>				
At 1 April 2019		-	6,223	6,223
Total comprehensive income		-	7,086	7,086
Equity dividends	6	-	(4,000)	(4,000)
<b>At 31 March 2020</b>		-	9,309	9,309

## Notes to the financial statements for the year ended 31 March 2021

### 1. Accounting policies

#### **General information and basis of accounting**

MH Foods Limited (the Company) is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is 5 The Heights, Brooklands, Weybridge, Surrey, KT13 0NY, United Kingdom.

The principal activities of the Company are set out in the strategic report on page 4.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The Group has applied the amendments to FRS 102 issued by the FRC in December 2017 prior to their mandatory effective date of accounting periods beginning on or after 1 January 2019.

MH Foods Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to share-based payments, financial instruments and presentation of a cash flow statement.

#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling, which is the functional currency of the company and rounded to the nearest £1,000.

The Directors have assessed that the Company has only one class of business and turnover is reported on that basis.

#### **Going concern**

On 20 February 2021 the Company's trade and assets were sold to its immediate parent company Dairy Crest Limited. Following this transaction the Company ceased trading and the financial statements are therefore prepared on a basis other than going concern. No adjustments arose as a result of ceasing to apply the going concern basis.

#### **Critical areas of accounting judgment**

There are no items that are considered by Management to be critical areas of accounting judgment.

#### **Consolidated financial statements**

The Directors have taken advantage of the exemption in Companies Act 2006 Section 401 from preparing consolidated financial statements on the grounds that the Company's ultimate parent undertaking as at the balance sheet date publishes consolidated financial statements.

#### **Cash flow statement**

The Directors have taken advantage of the exemption in FRS 102.1.12 "Cash flow statements" from including a cash flow statement in the financial statements on the grounds that the Company is wholly-owned and its ultimate parent undertaking as at the balance sheet date publishes consolidated financial statements.

#### **Turnover**

Turnover on the sale of cooking oil spray is recognised on delivery. Turnover comprises the invoiced value of the sale of goods net of value added tax, rebates and discounts.

#### **Interest**

Interest is recognised on an accruals basis.

#### **Dividends**

In accordance with FRS 102.23.29.C dividends are recognised when the Shareholders' right to receive payment is established.

## Notes to the financial statements (continued)

for the year ended 31 March 2021

### 1. Accounting policies (continued)

#### **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

#### **Research and development**

Expenditure on research and development is written off as incurred.

#### **Investments**

Investments are carried at lower of cost or net realisable value.

#### **Intangible assets**

Intangible assets comprise the capitalised website design costs which are carried at cost less accumulated amortisation and are amortised over 5 years on a straight-line basis.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation. The carrying values of tangible fixed assets are reviewed for impairment whenever events or circumstances indicate that the carrying value may not be recoverable. No depreciation is charged on assets in the course of construction.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, on a straight-line basis over the useful economic life of that asset as follows:

Freehold property	-	25 years
Plant & equipment	-	6 to 20 years
Fixtures & fittings	-	4 to 6 years

#### **Stocks**

Stock is valued at the lower of cost and net realisable value. The carrying value of stock is in line with its replacement cost.

#### **Provisions**

A provision is a liability of uncertain timing or amount that is recognised when the Company has a present obligation (legal or constructive) where, as a result of a past event, it is more likely than not that payment will be required to settle the obligation and the amount can be estimated. If the effect is material, expected future cash flows are discounted using the current pre-tax rate that reflects the risks specific to the liability.

Provisions are estimates and the actual costs and timings of future cash flows are dependent on future events. Provisions are reviewed regularly by management, with any difference between the amounts previously recognised and current estimate or actual liability being recognised to the income statement.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

#### **Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

## Notes to the financial statements (continued)

for the year ended 31 March 2021

### 1. Accounting policies (continued)

#### *Financial Instruments (continued)*

##### *(i) Financial assets and liabilities*

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

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

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

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

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

##### *(ii) Investments*

Investments in subsidiaries and associates are measured at cost less impairment.

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

## Notes to the financial statements (continued)

for the year ended 31 March 2021

### 1. Accounting policies (continued)

#### Taxation (continued)

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### 2. Operating profit

Operating profit is stated after charging/(crediting):

	2021 £000	2020 £000
Profit on sale of trade and assets	(60,916)	-
Depreciation of owned fixed assets	203	216
Loss on disposal of fixed assets	28	9
Amortisation of intangibles	3	2
Operating lease rentals	-	4
Gain on foreign currency translation	-	(1)

#### Auditor's remuneration

	2021 £000	2020 £000
Remuneration of the auditor is further analysed as follows:		

Audit of the financial statements	6	6
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Auditor's remuneration is borne by another Group undertaking.

There were no non-audit services in either year.

### Notes to the financial statements (continued)

for the year ended 31 March 2021

#### 3. Emoluments of directors and employees

##### Employees

The average number of staff employed by the Company during the period was:

	2021 No	2020 No
Office and management	11	11
Production	44	44
	<u>55</u>	<u>55</u>

##### Employees

Remuneration of employees including Directors:

	2021 £000	2020 £000
Wages and salaries	2,040	2,193
Social security costs	189	180
	<u>2,229</u>	<u>2,373</u>

##### Directors' remuneration

All of the Directors are Directors of other undertakings within the Saputo Group. The Directors' remuneration for the year was paid by other undertakings as qualifying service in relation to the Company were minimal. The Directors do not believe that it is practical to apportion this amount between their services as Directors of the Company and their services as Directors of the fellow subsidiary undertakings.

In the year ending 31 March 2021 no remuneration was paid to any Director by the Company (2020: nil).

#### 4. Interest receivable

	2021 £000	2020 £000
Loan to immediate parent undertaking	71	56
	<u>71</u>	<u>56</u>

#### 5. Tax

##### (a) Tax on profit

The tax charge is made up as follows:

	2021 £000	2020 £000
<i>Current tax:</i>		
Current tax charge on profits of the period	29	-
Adjustments in respect of previous periods	-	(199)
Total current tax charge/(credit)	<u>29</u>	<u>(199)</u>
<i>Deferred tax:</i>		
Deferred tax charge	(75)	11
Adjustments in respect of previous periods	1	35
Effect of changes in tax rates	-	7
Total deferred tax charge	<u>(74)</u>	<u>53</u>
Total tax credit (note 5 (b))	<u>(45)</u>	<u>(146)</u>



## Notes to the financial statements (continued)

for the year ended 31 March 2021

### 5. Tax (continued)

#### (b) Factors affecting current tax charge

The differences are reconciled below:

	2021 £000	2020 £000
Profit before taxation	69,492	6,940
Profit multiplied by the standard rate of Corporation Tax in UK of 19% (2020: 19%)	13,203	1,319
Effects of:		
Adjustment of respect of previous years	1	(164)
Non-taxable profits	(11,569)	2
Profits offset by available group relief claimed for nil consideration	(868)	(782)
Profits offset by available tax relief	(736)	(528)
Deferred tax on assets transferred to Dairy Crest Limited	(77)	-
Adjustment for change in UK corporation tax rate	-	7
Total tax expense credit (note 5 (a))	(45)	(146)

Factors that may affect the future tax charges:

The standard rate of corporation tax applied to reported profit, including deferred tax balances, for the year ended 31 March 2021 is 19% (2020: 19%). The rate of corporation tax will increase to 25% with effect from 1 April 2023, as announced by the UK Government on 3 March 2021, but it is not substantively enacted by 31 March 2021.

### 6. Dividends

	2021 £000	2020 £000
Dividends declared and paid	78,846	4,000

### 7. Tangible assets

	Freehold Property £000	Plant & Equipment £000	Assets in the course of construction £000	Total £000
<b>Cost:</b>				
At 1 April 2020	714	2,077	117	2,908
Additions	-	222	-	222
Disposals	(714)	(2,394)	(22)	(3,130)
Transfers	-	95	(95)	-
At 31 March 2021	-	-	-	-
<b>Depreciation:</b>				
At 1 April 2020	294	690	-	984
Charge in the period	33	170	-	203
Disposals	(327)	(860)	-	(1,187)
At 31 March 2021	-	-	-	-
<b>Net book amount:</b>				
At 31 March 2021	-	-	-	-
At 31 March 2020	420	1,387	117	1,924

## Notes to the financial statements (continued)

for the year ended 31 March 2021

### 8. Intangible assets

	<i>Internally generated £000</i>
<b>Cost:</b>	
At 1 April 2020 and 31 March 2021	56
<b>Amortisation:</b>	
At 1 April 2020	53
Charge in the period	3
At 31 March 2021	56
<b>Net book amount:</b>	
At 31 March 2021	-
At 31 March 2020	3

### 9. Investments

	<i>Shares in subsidiary undertaking £000</i>
At 31 March 2020 and 31 March 2021	-

The Company's subsidiary undertaking Morehands IP Limited was dissolved on 16th March 2021.

### 10. Sale of trade and assets

On 20 February 2021 the Company sold its trade and assets to Dairy Crest Limited for £66.1 million.

	<i>£000</i>
Tangible assets	1,915
Stock	1,607
Debtors and prepayments	2,933
Creditors	(1,301)
Total carrying value of net assets sold	5,154
Profit on sale of trade and assets	60,916
Cash consideration	66,070

### 11. Stocks

	<i>2021 £000</i>	<i>2020 £000</i>
Raw materials	-	652
Finished goods	-	1,570
	-	2,222

There were no provisions for inventory impairments during the year.

## Notes to the financial statements (continued)

for the year ended 31 March 2021

### 12. Debtors

Amounts falling due within one year:

	2021 £000	2020 £000
Trade debtors	-	3,127
Amounts owed by parent undertakings*	-	2,717
Corporation tax	-	216
Other debtors	-	122
Prepayments and accrued income	-	100
	-	6,282

\*In the prior year, the amounts shown above are unsecured loans and repayable on demand with an interest rate of 1% plus LIBOR.

### 13. Creditors

Amounts falling due within one year:

	2021 £000	2020 £000
Trade creditors	-	1,679
Corporation tax	-	-
Accruals and deferred income	-	560
	-	2,239

### 14. Deferred taxation

The movement in the deferred taxation provision during the period was:

	2021 £000	2020 £000
Provision brought forward	74	21
(Credit) / Charge to profit	(74)	53
Provision carried forward	-	74

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2021 £000	2020 £000
Excess of taxation allowances over depreciation on fixed assets	-	74
Provision carried forward	-	74

Refer to note 5 of the financial statements for details.

## Notes to the financial statements (continued)

for the year ended 31 March 2021

### 15. Commitments under operating leases

#### Operating leases

Future minimum rentals payable under non-cancellable operating leases as at 31 March are as follows:

	2021 £000	2020 £000
Within one year	-	2
	<u>-</u>	<u>2</u>

### 16. Related party transactions

#### Group

As the Company is a wholly-owned subsidiary of Saputo Inc., it is exempt under the terms of FRS 102.33.1A "Related Party Disclosures" from disclosing transactions with other wholly-owned Group undertakings, joint ventures or associated companies. There were no other related party transactions in the period.

#### Key management personnel

Compensation of key management personnel of the Company:

	2021 £000	2020 £000
Short-term employee benefits	-	-
Total compensation paid to key management personnel	<u>-</u>	<u>-</u>

### 17. Share capital

				Allotted, called up and fully paid
	Number	2021 £	Number	2020 £
Ordinary shares of £1 each	102	102	102	102

### 18. Capital Commitments

The Company has future capital expenditure contracted on property, plant and equipment of nil (2020: £167,878).

### 19. Parent undertakings

The Company's immediate parent undertaking is Dairy Crest Limited whose financial statements are available from its registered office at 5 The Heights, Brooklands, Weybridge, Surrey, KT13 0NY.

The Company's ultimate parent undertaking and controlling party is Saputo Inc., a company incorporated in Canada. Saputo Inc's registered office is 6869, Métropolitain Est, Montréal, Québec H1P 1X8, Canada.

The largest and smallest group preparing consolidated accounts which includes MH Foods Limited is Saputo Inc.