

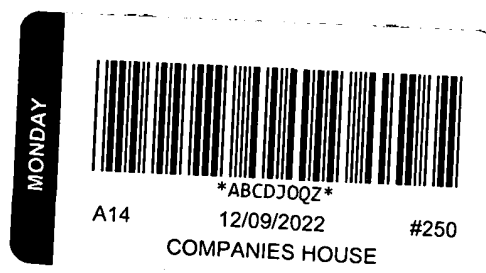
Registration number: 01431247

Summit Foods Limited

Annual Report and Financial Statements

for the Year Ended 28 February 2022

Forrester Boyd
Chartered Accountants
26 South Saint Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW





Summit Foods Limited

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Summit Foods Limited

Company Information

Directors A Hayes
 J Beach
 C Wright
 R Firth

Registered office Unit 170
 Walton Summit Road
 Bamber Bridge
 Preston
 PR5 8AH

Auditors Forrester Boyd
 Chartered Accountants
 26 South Saint Mary's Gate
 Grimsby
 North East Lincolnshire
 DN31 1LW



Summit Foods Limited

Strategic Report for the Year Ended 28 February 2022

The directors present their strategic report for the year ended 28 February 2022.

Principal activity

The principal activity of the company is the manufacturing and distribution of extended life food products and frozen meat and snack products.

Fair review of the business

The current period shows turnover of £31m which is up 27.6% compared to the 2021 results as the business benefitted from its strong market position in both chilled and frozen grocery retail and convenience. It's expanded customers base coupled with the launch of a raft of new products across Food to Go, frozen and convenience has helped the business create excitement and interest among consumers and customers alike. The increase in turnover has been achieved whilst maintaining the Company's excellent relationships with its core customer base consisting of many large blue-chip companies.

The business has worked hard with its supply chain partners to manage through a period of intense supply chain challenges across the industry, in particular labour and driver availability. Thankfully, many of these challenges have eased as we work through the new financial year. The resulting impact of managing these challenges well has seen a gross profit of £8.7m achieved at a rate of 28% which is consistent with the previous period and the net profit margin has increased from 8.2% to 9.5% in the year, highlighting the strong processes and controls in place.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2022	2021
Turnover	£	31,032,805	24,325,292
Gross profit	£	8,713,468	7,047,799
Gross profit margin	%	28	29
Profit/(loss) before tax	£	2,943,756	1,985,694
Net profit margin	%	9	8

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are the continued turbulent retail environment and maintaining margins against increases in raw material prices and associated costs influenced by the uncertainty caused by Brexit and Covid-19.

There was a substantial increase in inflation in nearly all main components towards the later end of the year. Although these increases have been mitigated through efficiency improvements and price increases with our customers, we have experienced a lag period between receiving and passing on these increases. The inflationary pressure has continued into the new financial year and to date the increases have again been mitigated but the future remains unclear as the impact of the weather, the war in Ukraine and Russia's response to sanctions unfolds.

As well documented, household budgets will come under severe pressure over the coming 12 months. The business will look to mitigate further inflation through continued efficiency improvements, price increases and product development to be attractive to tight household budgets.

The directors continue to use their expertise and knowledge of the industry to minimise risks and develop new sales opportunities as well as maximise existing product areas and avenues of revenue.

Approved and authorised by the Board on 28 July 2022 and signed on its behalf by:


J Beach
Director



Summit Foods Limited

Directors' Report for the Year Ended 28 February 2022

The directors present their report and the financial statements for the year ended 28 February 2022.

Director of the company

The directors who held office during the year were as follows:

A Hayes

J Beach

C Wright

R Firth

Objectives and policies

The Company's main financial instruments comprise cash and bank deposits as well as an invoice discounting facility. These sit alongside trade debtors and creditors that arise directly from Company operations.

The objectives of the directors are to meet ongoing working capital requirements using such instruments whilst ensuring the financial terms associated are as advantageous as possible to the Company.

Price risk, credit risk, liquidity risk and cash flow risk

In respect of bank facilities the Company receives 'up front' funding on debts through the invoice discounting facility however all debts are subject to scrutiny internally through credit checks and limits imposed as well as external reviews by the funding provider.

The company operates within its funding limits and manages liquidity risk through the flexibility of the instruments held which allow the Company to draw down funds as required and meet all working capital requirements.

Credit risk associated with debtors is managed by ongoing monitoring with customers offered credit terms based on their risk profile. The amounts presented in the Balance Sheet reflect debtors net of allowances for doubtful debts estimated by the management based on prior experience of the customers and their assessment of the current economic climate.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved and authorised by the Board on 28 July 2022 and signed on its behalf by:

J Beach
Director



Summit Foods Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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.



Summit Foods Limited

Independent Auditor's Report to the Members of Summit Foods Limited

Opinion

We have audited the financial statements of Summit Foods Limited (the 'company') for the year ended 28 February 2022, which comprise the Statement of Income and Retained Earnings, Balance Sheet, Statement of Cash Flows, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2022 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.

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 responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.



Summit Foods Limited

Independent Auditor's Report to the Members of Summit Foods Limited

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities [set out on page 4], 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 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.

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

- Discussions with management, including consideration of known or suspected instances of non-compliance.
- Challenging assumptions and judgements made within significant accounting estimates and judgements.
- Identification of key laws and regulations central to the Company's operations and review of compliance with such laws.
- Testing of journal entries and potential override of systems.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Summit Foods Limited

Independent Auditor's Report to the Members of Summit Foods Limited

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.

Kevin Hopper BFP FCA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd, Statutory Auditor
26 South Saint Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW

28 July 2022



Summit Foods Limited

Statement of Income and Retained Earnings for the Year Ended 28 February 2022

	Note	2022 £	2021 £
Turnover	3	31,032,805	24,325,292
Cost of sales		<u>(22,319,337)</u>	<u>(17,277,493)</u>
Gross profit		8,713,468	7,047,799
Administrative expenses		<u>(5,744,466)</u>	<u>(5,035,005)</u>
Operating profit	4	<u>2,969,002</u>	<u>2,012,794</u>
Interest payable and similar charges	6	<u>(25,246)</u>	<u>(38,051)</u>
Government grant income	5	<u>-</u>	<u>10,951</u>
		<u>(25,246)</u>	<u>(27,100)</u>
Profit before tax		2,943,756	1,985,694
Taxation	9	<u>(532,382)</u>	<u>(323,476)</u>
Profit for the financial year		2,411,374	1,662,218
Retained earnings brought forward		<u>3,664,950</u>	<u>2,002,732</u>
Retained earnings carried forward		<u><u>6,076,324</u></u>	<u><u>3,664,950</u></u>



Summit Foods Limited

(Registration number: 01431247)

Balance Sheet as at 28 February 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	10	500	500
Tangible assets	11	1,036,505	716,135
		<u>1,037,005</u>	<u>716,635</u>
Current assets			
Stocks	12	2,023,859	1,682,104
Debtors	13	6,728,581	5,946,732
Cash at bank and in hand	14	659,068	102,443
		<u>9,411,508</u>	<u>7,731,279</u>
Creditors: Amounts falling due within one year	15	<u>(3,853,062)</u>	<u>(4,389,638)</u>
Net current assets		<u>5,558,446</u>	<u>3,341,641</u>
Total assets less current liabilities		6,595,451	4,058,276
Creditors: Amounts falling due after more than one year	15	(263,116)	(273,901)
Provisions for liabilities	16	<u>(254,011)</u>	<u>(117,425)</u>
Net assets		<u>6,078,324</u>	<u>3,666,950</u>
Capital and reserves			
Called up share capital	18	2,000	2,000
Profit and loss account	19	<u>6,076,324</u>	<u>3,664,950</u>
Shareholders' funds		<u>6,078,324</u>	<u>3,666,950</u>

Approved and authorised by the Board on 28 July 2022 and signed on its behalf by:



J Beach
Director



Summit Foods Limited

Statement of Cash Flows for the Year Ended 28 February 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit for the year		2,411,374	1,662,218
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	282,335	271,683
Finance costs	6	25,246	38,051
Income tax expense	9	532,382	323,476
		<u>3,251,337</u>	<u>2,295,428</u>
Working capital adjustments			
Increase in stocks	12	(341,755)	(696,769)
Increase in trade debtors	13	(781,849)	(1,267,568)
Increase in trade creditors	15	<u>236,594</u>	<u>848,250</u>
Cash generated from operations		2,364,327	1,179,341
Income taxes paid	9	<u>(462,907)</u>	<u>(271,253)</u>
Net cash flow from operating activities		<u>1,901,420</u>	<u>908,088</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(295,182)	(539,836)
Proceeds from sale of tangible assets		<u>-</u>	<u>97,751</u>
Net cash flows from investing activities		<u>(295,182)</u>	<u>(442,085)</u>
Cash flows from financing activities			
Interest paid	6	(25,246)	(38,051)
Repayment of bank borrowing		(320,759)	(240,907)
Receipts from finance leases		-	83,446
Payments to finance lease creditors		<u>(165,624)</u>	<u>(87,078)</u>
Net cash flows from financing activities		<u>(511,629)</u>	<u>(282,590)</u>
Net increase in cash and cash equivalents		1,094,609	183,413
Cash and cash equivalents at 1 March		<u>(435,541)</u>	<u>(618,954)</u>
Cash and cash equivalents at 28 February	14	<u><u>659,068</u></u>	<u><u>(435,541)</u></u>

The notes on pages 11 to 20 form an integral part of these financial statements.



Summit Foods Limited

Notes to the Financial Statements for the Year Ended 28 February 2022

1 General information

The company is a private company limited by share capital, incorporated in England and the company registration number is 01431247.

The address of its registered office is:

Unit 170
Walton Summit Road
Bamber Bridge
Preston
PR5 8AH

These financial statements were authorised for issue by the Board on 28 July 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value. The financial statements cover an individual entity and not that of a Group.

The financial statements are prepared in pound sterling which is the functional currency of the company and are rounded to the nearest pound.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Government grants

Government grants which become receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the entity with no future related costs, are recognised as income in the period in which they become receivable.

Tax

The tax expense for the period comprises current tax. Tax is recognised in the statement of income and retained earnings, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.



Summit Foods Limited

Notes to the Financial Statements for the Year Ended 28 February 2022

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense 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 it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using 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 timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using rates and allowances that apply to the sale of the asset.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant & machinery	20% Straight line basis
Fixtures & fittings	20% to 33% Straight line basis
Motor vehicles	25% Straight line basis

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	10% Straight line basis

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in the statement of income and retained earnings.



Summit Foods Limited

Notes to the Financial Statements for the Year Ended 28 February 2022

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the statement of income and retained earnings over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the statement of income and retained earnings and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2022 £	2021 £
Sale of goods	<u>31,032,805</u>	<u>24,325,292</u>

4 Operating profit

Arrived at after charging/(crediting)

	2022 £	2021 £
Depreciation expense	282,335	271,683
Hire of plant and machinery (Operating leases)	<u>29,024</u>	<u>44,692</u>



Summit Foods Limited

Notes to the Financial Statements for the Year Ended 28 February 2022

5 Government grant income

The analysis of the company's Government grant income for the year is as follows:

	2022 £	2021 £
Government grant income	-	10,951

Included within Government grant income is £Nil (2021 - £10,951) relating to the Coronavirus Job Retention Scheme (CJRS).

6 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and borrowings	11,397	29,495
Interest on obligations under finance leases and hire purchase contracts	13,849	8,556
	<u>25,246</u>	<u>38,051</u>

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022 £	2021 £
Wages and salaries	7,278,155	6,127,881
Social security costs	346,275	269,412
Pension costs, defined contribution scheme	100,338	81,489
	<u>7,724,768</u>	<u>6,478,782</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2022 No.	2021 No.
Production and distribution staff	<u>213</u>	<u>173</u>

8 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	<u>4,000</u>	<u>4,000</u>



Summit Foods Limited

Notes to the Financial Statements for the Year Ended 28 February 2022

9 Taxation

Tax charged/(credited) in the income statement

	2022 £	2021 £
Current taxation		
UK corporation tax	406,228	285,290
UK corporation tax adjustment to prior periods	(10,432)	-
	<u>395,796</u>	<u>285,290</u>
Deferred taxation		
Arising from origination and reversal of timing differences	<u>136,586</u>	<u>38,186</u>
Tax expense in the income statement	<u>532,382</u>	<u>323,476</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit before tax	<u>2,943,756</u>	<u>1,985,694</u>
Corporation tax at standard rate	559,314	377,282
Effect of expense not deductible in determining taxable profit (tax loss)	(2,375)	40
Tax increase from effect of capital allowances and depreciation	84,633	16,564
Tax decrease arising from group relief	(80,865)	(37,580)
Tax decrease from effect of adjustment in research and development tax credit	<u>(28,325)</u>	<u>(32,830)</u>
Total tax charge	<u>532,382</u>	<u>323,476</u>

On 24 May 2021 the UK Government enacted a bill which will increase the main rate of corporation tax in the UK from 19% to 25% from 1 April 2023. Deferred tax has been calculated at 25% on all relevant timing differences which are expected to reverse after this date.

Deferred tax

Deferred tax assets and liabilities

	Liability £
2022	
Accelerated capital allowances	<u>254,011</u>
2021	
Accelerated capital allowances	<u>117,425</u>



Summit Foods Limited

Notes to the Financial Statements for the Year Ended 28 February 2022

10 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 March 2021	500	500
At 28 February 2022	500	500
Amortisation		
Carrying amount		
At 28 February 2022	500	500
At 28 February 2021	500	500

11 Tangible assets

	Fixtures and fittings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 March 2021	139,264	4,420,338	43,218	4,602,820
Additions	15,332	587,373	-	602,705
At 28 February 2022	154,596	5,007,711	43,218	5,205,525
Depreciation				
At 1 March 2021	115,339	3,732,536	38,810	3,886,685
Charge for the year	17,885	262,259	2,191	282,335
At 28 February 2022	133,224	3,994,795	41,001	4,169,020
Carrying amount				
At 28 February 2022	21,372	1,012,916	2,217	1,036,505
At 28 February 2021	23,925	687,802	4,408	716,135

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2022 £	2021 £
Plant and machinery	419,246	315,054



Summit Foods Limited

Notes to the Financial Statements for the Year Ended 28 February 2022

12 Stocks

	2022 £	2021 £
Raw materials and consumables	1,196,278	1,188,608
Finished goods and goods for resale	827,581	493,496
	<u>2,023,859</u>	<u>1,682,104</u>

13 Debtors

	Note	2022 £	2021 £
Trade debtors		3,721,454	3,590,572
Amounts owed by group undertakings and undertakings in which the company has a participating interest	24	2,664,200	1,940,418
Other debtors		186,724	237,202
Prepayments		156,203	178,540
		<u>6,728,581</u>	<u>5,946,732</u>

14 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	1,415	867
Cash at bank	657,653	101,576
	<u>659,068</u>	<u>102,443</u>
Bank overdrafts	-	(537,984)
Cash and cash equivalents in statement of cash flows	<u>659,068</u>	<u>(435,541)</u>

15 Creditors

	Note	2022 £	2021 £
Due within one year			
Loans and borrowings	20	183,730	889,789
Trade creditors		2,836,606	2,798,724
Amounts owed by group undertakings and undertakings in which the company has a participating interest	24	-	7,500
Social security and other taxes		77,474	56,800
Other payables		243,271	122,715
Accruals		410,335	345,353
Corporation tax liability	9	101,646	168,757
		<u>3,853,062</u>	<u>4,389,638</u>
Due after one year			
Loans and borrowings	20	<u>263,116</u>	<u>273,901</u>



Summit Foods Limited

Notes to the Financial Statements for the Year Ended 28 February 2022

16 Provisions for liabilities

	Deferred tax £	Total £
At 1 March 2021	117,425	117,425
Increase (decrease) in existing provisions	136,586	136,586
At 28 February 2022	254,011	254,011

17 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £100,338 (2021 - £81,489).

Contributions totalling £1,809 (2021 - £14,308) were payable to the scheme at the end of the year and are included in creditors.

18 Share capital

Allotted, called up and fully paid shares

	2022	£	2021	£
	No.		No.	
Ordinary shares of £1 each	2,000	2,000	2,000	2,000

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

Full voting and participation rights with no restriction on distribution of dividends or repayment of capital.

19 Reserves

Called up share capital

Share capital comprises the value of issued share capital at par in the Company.

Profit and loss account

The profit and loss account consists of cumulative profits made by the Company attributable to the shareholders.

20 Loans and borrowings

	2022 £	2021 £
Non-current loans and borrowings		
Bank borrowings	-	80,759
Finance lease liabilities	263,116	193,142
	263,116	273,901



Summit Foods Limited

Notes to the Financial Statements for the Year Ended 28 February 2022

	2022 £	2021 £
Current loans and borrowings		
Bank borrowings	-	240,000
Bank overdrafts	-	537,984
Finance lease liabilities	183,730	111,805
	<u>183,730</u>	<u>889,789</u>

Secured creditors

Included within creditors under loans and borrowings are secured amounts which are denominated in sterling. The carrying amount at the year end is £446,846 (2021 - £1,163,690).

Finance lease liabilities are secured against the assets to which they relate.

Debtor financing facilities are secured by fixed and floating charges over all assets of the Group by way of a cross guarantee arrangement including a specific charge over all property held.

21 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	128,875	128,875

The amount of non-cancellable operating lease payments recognised as an expense during the year was £353,094 (2021 - £302,442).

22 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £36,259 (2021 - £Nil).

23 Financial commitments, guarantees and contingencies

The company is part of an unlimited cross guarantee arrangement in respect of amounts owed to the bank by Abbeydale Food Group Limited, Cedar Foods Limited and Summit Food Holdings Limited.

At the balance sheet date amounts totalling £Nil (2021 - £1,032,047) were owing to the relevant bank by the above companies.



Summit Foods Limited

Notes to the Financial Statements for the Year Ended 28 February 2022

24 Related party transactions

The company has taken advantage of the exemption in section 33 of FRS 102 'Related Party Disclosures' from disclosing transactions with other members of the group in which any subsidiary which is a party to the transaction is wholly owned by the group.

The directors are remunerated for their management of the Group as a whole through the parent company, Abbeydale Food Group Limited.

25 Parent and ultimate parent undertaking

The company's immediate parent is Summit Food Holdings Limited, incorporated in the United Kingdom.

The most senior parent entity producing publicly available financial statements is Abbeydale Food Group Limited. These financial statements are available upon request from the registered office of the ultimate parent; 171a Walton Summit Road, Bamber Bridge, Preston, England, PR5 8AH. These are the largest and smallest group into which the results of the Company are consolidated.

The ultimate controlling party is Abbeydale Food Group Limited.