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**SOUTH LINCS FOODSERVICE LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2022**

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**SOUTH Lincs FOODSERVICE LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	S D Bender A M Selley A Brogan P Atyeo (appointed 8 February 2022)
<b>Company secretary</b>	T Hamandi
<b>Registered number</b>	01568776
<b>Registered office</b>	814 Leigh Road Slough SL1 4BD
<b>Independent auditors</b>	Streets Audit LLP Chartered Accountants & Statutory Auditors Enterprise House, 38 Tyndall Court Commerce Road Lynchwood Peterborough Cambridgeshire PE2 6LR
<b>Bankers</b>	National Westminster Bank plc 10 Market Place Boston Lincolnshire PE21 6EJ

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**SOUTH Lincs FOODSERVICE LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

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**Principal activities**

The principal activities of the company are the sale and distribution of food and non-food products to the catering trade.

**Business review**

Following the continued easing of trade restrictions as the UK emerges from the Covid-19 pandemic, the company has traded strongly resulting in the company's revenue increasing by £9.2 million to pre-Covid levels and the gross margin has increased by 1% compared with the previous year.

The increased revenue and gross margin have resulted in the result before tax increasing by £1.07 million.

The company has maintained a strong balance sheet position with net current assets of £4.8 million (2021: £4.1 million).

The directors are satisfied with the company's results for the year, and the continued strength of its balance sheet.

**Future Developments**

Provided the UK economy remains relatively stable the Directors expect the Company to be profitable for the next financial year as customers continue to value the Company's service excellence.

**Financial key performance indicators**

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being gross margin percentage, current ratio and net operating margin percentage detailed as follows:

- Revenue has increased from £12.9m to £22.2m.
- Gross margin has increased from 31% to 32%.
- Operating profit % has increased from (0.84%) to 4.05%
- Net Assets has increased from £1,683k to £2,661k

**Principal risks and uncertainties**

The Company's operational risks include supply chain integrity, staff shortages, environmental, health and safety and IT. The Company manages these risks through an established control framework and internal and external audits. Disaster recovery procedures exist to enable rapid response to adverse events, including power and IT outages, and are implemented when required.

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash safely and profitably.

The Company's commercial risks include unprofitable contracts, cost price inflation, bad debts and fuel and energy price volatility. Potential new business undergoes both a comprehensive profit study and credit checks before being tendered. Increases in cost prices are largely passed onto customers in pricing reviews. Significant focus is placed on the minimisation of bad debt risk and credit insurance is held for the majority of large customers. Fuel prices and availability are continually monitored, and taken into account in pricing strategy.

COVID-19 caused a downturn in the Company's results in prior years notably through periods when the Government enforced closures of schools and hospitality or advised the public against mixing and as such, further waves of the pandemic pose a risk to the Company.

The UK's economic conditions pose somewhat of a risk to the business as the country faces a potential cost of living crisis, with higher fuel costs, taxes and interest rates and potential economic recession. These factors have

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**SOUTH Lincs FOODSERVICE LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022**

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the ability to reduce demand for the services of our Company's customers and therefore the Company continues to prospect for and win new business.

**Going Concern**

In determining whether the Company's financial statements can be prepared on a going concern basis, the Directors considered the Company's business activities together with factors likely to affect its future development, performance and financial position including cash flows, liquidity and borrowing facilities and the principal risks and uncertainties relating to its business activities.

Therefore, the directors have concluded that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis..

This report was approved by the board on 23 January 2023 and signed on its behalf.

**A Brogan**

Director

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## **SOUTH Lincs FOODSERVICE LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2022**

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The directors present their report and the financial statements for the year ended 30 June 2022.

#### **Directors' responsibilities statement**

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £731,000 (2021 - loss £95,000).

#### **Directors**

The directors who served during the year were:

S D Bender

A M Selley

A Brogan

P Atyeo (appointed 8 February 2022)

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022**

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**Engagement with employees**

Appropriate action has been taken to develop arrangements aimed at providing Company employees with information on matters of concern to them, consulting with employees or their representatives, encouraging their involvement in the Company's performance, and achieving an awareness on the part of employees of the financial and economic factors affecting the Company's performance. This action is taken via various different methods including newsletters, CEO briefings, Your Voice annual survey and the Company's intranet site.

**Disabled employees**

It is the policy of the Company to give full and fair consideration to applications for employment made by disabled persons having regard to their particular aptitudes and abilities. Wherever possible, arrangements are made for the continued employment of persons who have become disabled during service and for appropriate training, career development and promotion of disabled persons.

**Directors' and officers' liability insurance**

The Company provided qualifying third party indemnity provisions to certain directors of associated companies during the financial year and at the date of this report.

**Matters covered in the Strategic Report**

The company has chosen to set out in the strategic report information about the future developments of the company and the financial instruments.

**Disclosure of information to auditors**

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

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

This report was approved by the board on 23 January 2023 and signed on its behalf.

A Brogan  
Director

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTH Lincs FOODSERVICE LIMITED**

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## **Opinion**

We have audited the financial statements of South Lincs Foodservice Limited (the 'Company') for the year ended 30 June 2022, which comprise the Statement of comprehensive income, the Statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (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 30 June 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTH Lincs FOODSERVICE LIMITED (CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTH Lincs FOODSERVICE LIMITED (CONTINUED)**

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**Auditors' responsibilities for the audit of the financial statements**

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

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:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company and sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, employment, environment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTH Lincs FOODSERVICE LIMITED (CONTINUED)**

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There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Auditors' 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Day (Senior statutory auditor)

for and on behalf of

**Streets Audit LLP**

Chartered Accountants

Statutory Auditors

Enterprise House, 38 Tyndall Court

Commerce Road

Lynchwood

Peterborough

Cambridgeshire

PE2 6LR

27 January 2023

**SOUTH Lincs FOODSERVICE LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022**

	<b>Note</b>	<b>2022 £000</b>	<b>2021 £000</b>
Turnover	4	<b>22,155</b>	12,931
Cost of sales		<b>(15,029)</b>	(8,896)
<b>Gross profit</b>		<b>7,126</b>	4,035
Distribution costs		<b>(4,563)</b>	(3,422)
Administrative expenses		<b>(1,665)</b>	(1,218)
Exceptional administrative expenses	5	-	100
Other operating income	6	-	396
<b>Operating profit/(loss)</b>	7	<b>898</b>	(109)
Interest receivable and similar income	10	<b>1</b>	2
Interest payable and similar expenses	11	-	(1)
<b>Profit/(loss) before tax</b>		<b>899</b>	(108)
Tax on profit/(loss)	12	<b>(168)</b>	13
<b>Profit/(loss) for the financial year</b>		<b>731</b>	(95)

There was no other comprehensive income for 2022 (2021:£000NIL).

The notes on pages 12 to 28 form part of these financial statements.

**SOUTH Lincs FOODSERVICE LIMITED**  
**REGISTERED NUMBER: 01568776**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Intangible assets	13	16	22
Tangible assets	15	2,148	2,395
		<u>2,164</u>	<u>2,417</u>
<b>Current assets</b>			
Stocks	17	1,776	1,245
Debtors: amounts falling due within one year	18	2,521	1,924
Cash at bank and in hand	19	1,644	1,377
		<u>5,941</u>	<u>4,546</u>
Creditors: amounts falling due within one year	20	(3,280)	(2,863)
<b>Net current assets</b>		<u>2,661</u>	<u>1,683</u>
<b>Total assets less current liabilities</b>		<u>4,825</u>	<u>4,100</u>
<b>Provisions for liabilities</b>			
Deferred taxation	21	(30)	(35)
		<u>(30)</u>	<u>(35)</u>
<b>Net assets excluding pension asset</b>		<u>4,795</u>	<u>4,065</u>
<b>Net assets</b>		<u>4,795</u>	<u>4,065</u>
<b>Capital and reserves</b>			
Called up share capital	22	1	1
Share premium account	23	150	150
Profit and loss account	23	4,644	3,914
		<u>4,795</u>	<u>4,065</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 January 2023.

**A Brogan**

Director

The notes on pages 12 to 28 form part of these financial statements.

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**SOUTH Lincs FOODSERVICE LIMITED**  
**REGISTERED NUMBER: 01568776**

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 30 JUNE 2022**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 814 Leigh Road, Slough, SL1 4BD, England. The principal place of business is Sutterton Enterprise Park, Endeavour Way, Sutterton, Boston, Lincolnshire, PE20 2JA.

The principal activity of the company during the year was the supplier of wholesale frozen, chilled and ambient food products together with cleaning and packaging materials.

**2. Accounting policies**

**2.1 Statement of compliance**

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 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the entity.

**2.2 Financial Reporting Standard 101 - reduced disclosure exemptions**

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemption has been taken.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**2. Accounting policies (continued)**

**2.2 Financial Reporting Standard 101 - reduced disclosure exemptions (continued)**

This information is included in the consolidated financial statements of Bid Corporation Limited as at 30 June 2022 and these financial statements may be obtained from [www.bidcorpgroup.com](http://www.bidcorpgroup.com).

**2.3 Going concern**

In determining whether the Company's financial statements can be prepared on a going concern basis, the Directors considered the Company's business activities together with factors likely to affect its future development, performance and financial position including cash flows, liquidity and borrowing facilities and the principal risks and uncertainties relating to its business activities.

Therefore, the directors have concluded that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

**2.4 Exemption from preparing consolidated financial statements**

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 402 of the Companies Act 2006 on the basis that its subsidiaries are excluded from consolidation on the grounds that their inclusion is not material for the purpose of giving a true and fair view.

**2.5 Revenue recognition**

Revenue, which excludes value added tax, represents the amounts invoiced to customers for goods sold and services supplied during the year in respect of the sale and distribution of food and non-food products to the catering trade, less credits for returns. Full consideration has been given to IFRS 15, and revenue is recognised when the significant risks and rewards have been transferred to the buyer, recovery of the consideration is probable and the amount of revenue can be measured reliably.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

**2.6 Government grants**

Government grants relating to the costs incurred by the Company are recognised in the Statement of comprehensive income over the period necessary to match them with costs that they are intended to compensate.

Government grants are presented separately and disclosed in Other operating income in the Statement of comprehensive income.

Government grants included within other operating income solely consists of the UK Government assistance provided through Coronavirus Job Retention Scheme during the Covid-19 pandemic.

**2.7 Interest income**

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



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

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**2. Accounting policies (continued)**

**2.8 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.9 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 reporting 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.

**2.10 Rebates**

Customer and supplier rebates are based on a mixture of sales/purchase volumes and values, as agreed with the respective customers and suppliers. The rebates can be estimated with a reasonable level of certainty and involve a minimal level of judgement. Arising rebate income/expense streams are recognised in a prudent manner in the income statement, and are regularly reviewed for completeness and accuracy.

**2.11 Share capital and reserves**

Ordinary shares are classified as equity.

**2.12 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

Transactions which may give rise to exceptional items include the restructuring of business activities.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**2. Accounting policies (continued)**

**2.13 Goodwill**

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units. It is not amortised but is tested annually for impairment.

**2.14 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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

Amortisation is provided on the following bases:

Computer software	-	20 % straight line
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**2.15 Tangible fixed assets**

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

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:

Freehold property	- Over the properties useful life to its estimated residual value.
Plant and machinery	- 5%, 6.66%, 10% or 20% straight line
Motor vehicles	- 11% or 20% straight line

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.

**2.16 Investments**

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

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**2. Accounting policies (continued)**

**2.17 Impairment**

The carrying amounts of the Company's assets other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

**2.18 Trade and other receivables**

Trade and other receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables are grouped, based on shared credit risk characteristics and the days past due.

**2.19 Stocks**

Stocks are stated at the lower of cost and net relisable value, being the estimated selling price less costs to complete and sell. Cost is based on the costs of purchase on a first in, first out basis.

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 and loss.

**2.20 Cash and cash equivalents**

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

**2.21 Trade and other creditors**

Trade and other creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised at fair value, and are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

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**2. Accounting policies (continued)**

**2.22 Provisions for liabilities**

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

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

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

**2.23 Financial instruments**

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**2.24 Defined contribution schemes**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**3. Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes an estimate of the recoverable value of assets held on the Balance Sheet, including Property, plant and equipment, Intangible assets, Investments, Stocks, Trade and other receivables and Provisions.

When assessing impairment of Property, plant and equipment and Intangible assets other than Goodwill management consider factors including the nature of the assets and their purpose within the business to assess whether they are carried at more than their recoverable amount, which is the higher of their value in use and their fair value less costs to sell.

See note 15 for the carrying value of tangible fixed assets and any associated impairment. See note 13 for the carrying value of intangible assets and any associated impairment provisions.

When assessing impairment of investments and goodwill, management considers factors including the current results of the Company for the year and the net asset position.

See note 14 for the carrying amount of goodwill and the associated impairment provision. See note 16 for the carrying amount of investments. No impairment provision has been recognised.

The stock balance is stated at the lower of cost and net realisable value. Management review stock for obsolescence and to write it down to net realisable value where required.

See note 17 for the carrying amount of stock and details of the amounts written down to net realisable value.

The Company makes an estimate of the recoverable value of trade and other debtors using the Expected Credit Loss model in accordance with IFRS 9. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience

**4. Revenue**

An analysis of turnover by class of business is as follows:

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Sale of goods	<b>21,957</b>	<i>12,678</i>
Rendering of services	<b>198</b>	<i>253</i>
	<b>22,155</b>	<i>12,931</i>

The whole of the revenue is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

**SOUTH Lincs FOODSERVICE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**5. Exceptional items**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Exceptional restructuring costs incurred	-	(100)
	<u>-</u>	<u>(100)</u>

An exceptional cost of £485k arose in 2020 because of the COVID-19 pandemic and resulting UK lockdown and its redundancy provisions. Due to government support and better than predicted trading results the company was able to reduce the restructuring requirement and as a result £100k of the provision was released in 2021.

**6. Other operating income**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Government grants receivable	-	396
	<u>-</u>	<u>396</u>

During the year the company received CJRS aid from the government totalling £5,000, which has been included in wages in salaries, (2021 - £396,000) to cover the salary, national insurance and pension costs of those staff furloughed as a result of the UK lockdowns.

**7. Operating profit/(loss) before exceptional items**

The operating profit/(loss) before exceptional items is stated after charging:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Depreciation of property, plant and equipment	270	286
Amortisation of intangible assets, including goodwill	6	5
(Gain) on disposal of property, plant and equipment	-	(3)
Cost of stocks recognised as an expense	15,029	8,896
Government grants	-	(396)
	<u>-</u>	<u>(396)</u>

**SOUTH Lincs FOODSERVICE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Auditors' remuneration**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u><b>12</b></u>	<u><i>12</i></u>
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
Other non-audit services	<u><b>7</b></u>	<u><i>7</i></u>

**9. Staff numbers and cost**

The aggregate payroll costs incurred during the year, relating to the below, were:

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Wages and salaries	<b>3,534</b>	<i>2,413</i>
Social security costs	<b>350</b>	<i>271</i>
Cost of defined contribution scheme	<b>89</b>	<i>74</i>
	<u><b>3,973</b></u>	<u><i>2,758</i></u>

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

	<b>2022</b>	<i>2021</i>
	<b>No.</b>	<i>No.</i>
Sales staff	<b>26</b>	<i>24</i>
Distribution staff	<b>82</b>	<i>60</i>
Administrative staff	<b>9</b>	<i>15</i>
	<u><b>117</b></u>	<u><i>99</i></u>

**10. Finance income**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Interest on loans and receivables	<u><b>1</b></u>	<u><i>2</i></u>

SOUTH Lincs FOODSERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

**11. Finance expenses**

	2022 £000	2021 £000
Interest on bank loans and overdrafts	-	1

**12. Taxation**

	2022 £000	2021 £000
<b>Corporation tax</b>		
Current tax on profits for the year	174	(19)
Adjustments in respect of previous periods	(1)	-
<b>Total current tax</b>	173	(19)
<b>Deferred tax</b>		
Origination and reversal of timing differences	(5)	6
<b>Total deferred tax</b>	(5)	6
<b>Taxation on profit/(loss) on ordinary activities</b>	168	(13)

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - *lower than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Profit/(loss) on ordinary activities before tax	899	(108)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	171	(21)
<b>Effects of:</b>		
Other differences leading to an increase (decrease) in the tax charge	(3)	8
<b>Total tax charge for the year</b>	168	(13)

**Factors that may affect future tax charges**



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**SOUTH Lincs FOODSERVICE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**12. Taxation (continued)**

A UK corporation tax rate of 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the Company's future current tax charge accordingly. The deferred tax liability at 30 June 2022 has been calculated at 25% (2021: 25%).

**13. Intangible assets**

	<b>Computer software £000</b>
<b>Cost</b>	
At 1 July 2021	29
At 30 June 2022	29
<b>Amortisation</b>	
At 1 July 2021	7
Charge for the year on owned assets	6
At 30 June 2022	13
<b>Net book value</b>	
At 30 June 2022	16
<b>At 30 June 2021</b>	22

Amortisation expense is included in administrative expenses.

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SOUTH Lincs FOODSERVICE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

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14. Goodwill

	2022 £000
<b>Cost</b>	
At 1 July 2021	318
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<b>At 30 June 2022</b>	<b>318</b>
	<hr/>
<b>Amortisation</b>	
At 1 July 2021	318
	<hr/>
<b>At 30 June 2022</b>	<b>318</b>
	<hr/>
<b>Net book value</b>	
	<hr/>
<b>At 30 June 2022</b>	<b>-</b>
	<hr/> <hr/>

**SOUTH Lincs FOODSERVICE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Tangible fixed assets**

	Freehold property £000	Plant and machinery £000	Motor vehicles £000	Total £000
<b>Cost or valuation</b>				
At 1 July 2021	1,384	1,549	2,136	5,069
Additions	-	29	-	29
Disposals	(1)	(129)	(15)	(145)
	<u>1,383</u>	<u>1,449</u>	<u>2,121</u>	<u>4,953</u>
At 30 June 2022				
<b>Depreciation</b>				
At 1 July 2021	368	1,229	1,078	2,675
Charge for the year on owned assets	-	89	181	270
Disposals	-	(125)	(15)	(140)
	<u>368</u>	<u>1,193</u>	<u>1,244</u>	<u>2,805</u>
At 30 June 2022				
<b>Net book value</b>				
At 30 June 2022	<u>1,015</u>	<u>256</u>	<u>877</u>	<u>2,148</u>
<b>At 30 June 2021</b>	<u>1,017</u>	<u>320</u>	<u>1,058</u>	<u>2,395</u>

Freehold Property includes £173,000 (2021 - £173,000) for land which is non-depreciable.

**SOUTH Lincs FOODSERVICE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**16. Investments**

	Investments in subsidiary companies £000	Other fixed asset investments £000	Total £000
<b>Cost or valuation</b>			
At 1 July 2021	103	60	163
At 30 June 2022	103	60	163
<b>Impairment</b>			
At 1 July 2021	103	60	163
At 30 June 2022	103	60	163
<b>Net book value</b>			
At 30 June 2022	-	-	-
<b>At 30 June 2021</b>	-	-	-

The company owns 100% of the issued share capital of MGS Management Services Limited (dissolved in the year), Chef's Trolley Limited, Boston Coffee Company Limited and Churchill's Fine Foods Limited. All four companies were dormant during the year and there has been no movement on reserves in these companies during the current year. Chef's Trolley Limited and Churchill's Fine Foods Limited have been liquidated post year end.

The company is also a partner in Spotlight Productions (3) LLP, registered office 115 Eastbourne Mews, London, W2 6LQ. The investment was previously impaired to a £nil carrying value. The directors are of the opinion that this carrying value is still appropriate.

**17. Stocks**

	2022 £000	2021 £000
Finished goods for resale	1,776	1,245
	1,776	1,245

The difference between purchase price or production cost of stocks and their replacement cost is not material.

**SOUTH Lincs FOODSERVICE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Trade and other receivables**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Trade debtors	<b>1,816</b>	<i>1,688</i>
Amounts owed by group undertakings	<b>420</b>	<i>53</i>
Other debtors	<b>16</b>	<i>24</i>
Prepayments and accrued income	<b>269</b>	<i>139</i>
Tax recoverable	<b>-</b>	<i>20</i>
	<b>2,521</b>	<i>1,924</i>

All amounts due from group companies are interest free, unsecured and have no fixed terms of repayment.

**19. Cash and cash equivalents**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Cash at bank and in hand	<b>1,644</b>	<i>1,377</i>
	<b>1,644</b>	<i>1,377</i>

**20. Trade and other creditors: Amounts falling due within one year**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Trade creditors	<b>2,460</b>	<i>2,455</i>
Corporation tax	<b>173</b>	<i>-</i>
Other taxation and social security	<b>119</b>	<i>84</i>
Accruals and deferred income	<b>528</b>	<i>324</i>
	<b>3,280</b>	<i>2,863</i>

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**SOUTH Lincs FOODSERVICE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**21. Deferred taxation**

	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
At beginning of year	(35)	(29)
Charged to profit or loss	5	(6)
<b>At end of year</b>	<u><u>(30)</u></u>	<u><u>(35)</u></u>

The deferred tax balance is made up as follows:

	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
Accelerated capital allowances	(32)	(38)
Pension plan obligations	2	3
	<u><u>(30)</u></u>	<u><u>(35)</u></u>
<b>Comprising:</b>		
Liability	(30)	(35)
	<u><u>(30)</u></u>	<u><u>(35)</u></u>

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**SOUTH Lincs FOODSERVICE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**22. Called up share capital**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
<b>Allotted, called up and fully paid</b>		
260 (2021 - 260) Ordinary A shares of £1.00 each	-	-
990 (2021 - 990) Ordinary B shares of £1.00 each	<b>1</b>	<i>1</i>
	<hr/>	<hr/>
	<b>1</b>	<i>1</i>
	<hr/>	<hr/>

The Ordinary B shares rank pari passu with the Ordinary A shares in all respects.

**23. Reserves**

**Share premium account**

This reserve records the amount above the nominal value received for shares sold, less transactions costs.

**Profit and loss account**

This reserve records retained earnings and accumulated losses.

**24. Employee benefits**

**Pension scheme**

The Company operates a defined contributions 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 £88,000 (2021 - £74,000). Contributions totaling £17,000 (2021 - £13,000) were payable to the fund at the reporting date and are included in creditors.

**25. Controlling party**

The company was under the control of Bid Corporation Limited throughout the current and previous year. The company was purchased by Caterford Holdings Limited from BFS Group Limited on 1 July 2020. Caterford Holdings Limited is part of the Bidcorp Group. The ultimate parent undertaking is Bid Corporation Limited, a company incorporated in South Africa which is also the largest group in which the results of the company are consolidated.

Copies of the financial statements of Bid Corporation Limited are available upon application to the company at the following address: Postnet Suite 136, Private Bag X9976, Johannesburg, 2146 South Africa.





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