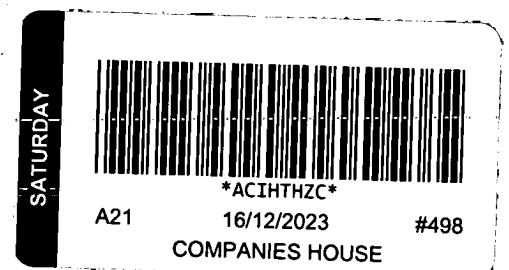


COMPANY REGISTRATION NUMBER: 01580862

GLOBAL FOODS LIMITED
FINANCIAL STATEMENTS
30 APRIL 2023



GLOBAL FOODS LIMITED

FINANCIAL STATEMENTS

Year ended 30 April 2023

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GLOBAL FOODS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Ms N Ahmad-Vellani
Ms S G Kriss
Mr A Wahid
Mr S Iqbal
Mr Q Aziz
Mr D Davies
Mr M Ali

Registered office

1-3 Stadium Close
Penarth Road
Cardiff
CF11 8TS

Auditor

Kilsby & Williams LLP
Chartered accountants & statutory auditor
Cedar House
Hazell Drive
Newport
NP10 8FY

GLOBAL FOODS LIMITED

STRATEGIC REPORT

Year ended 30 April 2023

Review of the business

The results for the year and the financial position at the year end are considered satisfactory by the directors.

The principal activity of the company during the year was that of a cash and carry wholesaler.

The directors believe the main performance indicators are turnover and the gross profit margin. Performance of the company was as follows:

	2023	2022
	£'000	£'000
Turnover	113,452	103,366
Gross Profit (%)	9	8
Operating profit	3,488	2,348

Turnover has increased and margins have been maintained, operating profit has improved as a result.

Principal risks and uncertainties

The principal risks and uncertainties facing the business are as follows:

The industry is extremely competitive with the market being served by numerous competitors, ranging from national retailers to other independent wholesalers. The company closely monitors its competitors activities and ensures it continues to improve prices and service to customers.

The business will also be impacted by the current economic situation nationally and internationally. Difficulties affecting its customer base may impact on the company. However at this moment in time this does not appear to be the case. The company continues to widen its customer and distribution base.

Availability of credit and working capital is essential for the company's financial performance. The company closely manages credit terms to ensure that they are met.

The directors feel that the company is in a strong position to face any coming uncertainties that may arise.

This report was approved by the board of directors on 11 December 2023 and signed on behalf of the board by:



Mr M Ali
Director

GLOBAL FOODS LIMITED

DIRECTORS' REPORT

Year ended 30 April 2023

The directors present their report and the financial statements of the company for the year ended 30 April 2023.

Directors

The directors who served the company during the year were as follows:

Ms N Ahmad-Vellani
Ms S G Kriss
Mr A Wahid
Mr S Iqbal
Mr Q Aziz
Mr D Davies
Mr M Ali

Dividends

Particulars of recommended dividends are detailed in note 14 to the financial statements.

Future developments

The directors expect the general level of activity to remain consistent with 2023 in the forthcoming year. The directors are looking into ways to expand the cash and carry side for the business which should result in an improvement in gross profit margin.

Greenhouse gas emissions and energy consumption

	Unit	2023	2022
Emissions resulting from Gaseous and other fuels (Scope 1)	tCO2e	43	39
Emissions resulting from the purchase of electricity (Scope 2)	tCO2e	168	185
Emissions resulting from transportation (Scope 1 and 3)	tCO2e	280	276
Total emissions	tCO2e	491	500
Total energy consumption (kWh)	kWh	2,251,329	2,205,028
Intensity metric - tCO2e per £m turnover		4.35	4.85

GLOBAL FOODS LIMITED

DIRECTORS' REPORT *(continued)*

Year ended 30 April 2023

Financial instruments

The company's principal instruments comprise bank balances, trade creditors, trade debtors, and other loans due from the company. The main purpose of these instruments is to raise funds and to finance the company's operations.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

In respect of loans these comprise loans from banks. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 I set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

GLOBAL FOODS LIMITED

DIRECTORS' REPORT *(continued)*

Year ended 30 April 2023

Auditor

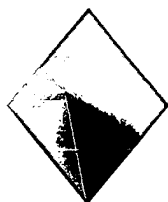
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 11 December 2023 and signed on behalf of the board by:



Mr M Ali
Director



**KILSBY
WILLIAMS**
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL FOODS LIMITED

Year ended 30 April 2023

Opinion

We have audited the financial statements of Global Foods Limited (the 'company') for the year ended 30 April 2023 which comprise the profit and loss account, balance sheet, statement of cash flows 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 FRS 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 30 April 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

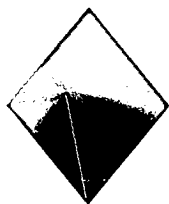
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of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



**KILSBY
WILLIAMS**
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL FOODS LIMITED *(continued)*

Year ended 30 April 2023

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Opinions 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, 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



**KILSBY
WILLIAMS**
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL FOODS LIMITED *(continued)*

Year ended 30 April 2023

statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

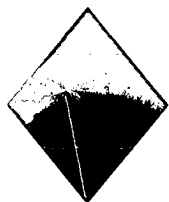
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



**KILSBY
WILLIAMS**
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL FOODS LIMITED *(continued)*

Year ended 30 April 2023

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

14 December 2023

Ataf Salim (Senior Statutory Auditor)

For and on behalf of

Kilsby & Williams LLP
Chartered accountants & statutory auditor
Cedar House
Hazell Drive
Newport
NP10 8FY

GLOBAL FOODS LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 April 2023

	Note	2023 £	2022 £
TURNOVER	4	113,451,798	103,291,853
Cost of sales		(103,513,281)	(95,151,862)
GROSS PROFIT		9,938,517	8,139,991
Administrative expenses		(6,725,232)	(5,972,575)
Other operating income	5	–	16,857
OPERATING PROFIT	6	3,213,285	2,184,273
Income from other fixed asset investments	10	–	52,119
Other interest receivable and similar income	11	111	–
Interest payable and similar expenses	12	(18,649)	(8,980)
PROFIT BEFORE TAXATION		3,194,747	2,227,412
Tax on profit	13	(629,681)	(466,857)
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>2,565,066</u>	<u>1,760,555</u>
Dividends paid and payable	14	(784,000)	(500,000)
RETAINED EARNINGS AT THE START OF THE YEAR		<u>13,850,877</u>	<u>12,590,322</u>
RETAINED EARNINGS AT THE END OF THE YEAR		<u>15,631,943</u>	<u>13,850,877</u>

All the activities of the company are from continuing operations.

The notes on pages 14 to 26 form part of these financial statements.

GLOBAL FOODS LIMITED

BALANCE SHEET

30 April 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	15	3,073,868	3,085,106
Investments	16	100	100
		<u>3,073,968</u>	<u>3,085,206</u>
CURRENT ASSETS			
Stocks	17	14,523,219	13,748,833
Debtors	18	5,373,554	4,957,326
Cash at bank and in hand		<u>4,813,661</u>	<u>4,428,888</u>
		24,710,434	23,135,047
CREDITORS: amounts falling due within one year	19	(11,586,429)	(11,754,091)
NET CURRENT ASSETS		<u>13,124,005</u>	<u>11,380,956</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		16,197,973	14,466,162
CREDITORS: amounts falling due after more than one year	20	(412,840)	(468,376)
PROVISIONS	22	(153,090)	(146,809)
NET ASSETS		<u>15,632,043</u>	<u>13,850,977</u>
CAPITAL AND RESERVES			
Called up share capital	26	80	80
Capital redemption reserve	27	20	20
Profit and loss account	27	<u>15,631,943</u>	<u>13,850,877</u>
SHAREHOLDERS FUNDS		<u>15,632,043</u>	<u>13,850,977</u>

These financial statements were approved by the board of directors and authorised for issue on 11 December 2023, and are signed on behalf of the board by:



Mr M Ali
Director

Company registration number: 01580862

The notes on pages 14 to 26 form part of these financial statements.

GLOBAL FOODS LIMITED

STATEMENT OF CASH FLOWS

Year ended 30 April 2023

	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	2,565,066	1,760,555
<i>Adjustments for:</i>		
Depreciation of tangible assets	153,249	166,179
Income from other fixed asset investments	–	(52,119)
Other interest receivable and similar income	(111)	–
Interest payable and similar expenses	18,649	8,980
Loss/(gains) on disposal of tangible assets	123	(373)
Tax on profit	629,681	466,857
Accrued expenses	132,290	65,469
<i>Changes in:</i>		
Stocks	(774,386)	(2,303,456)
Trade and other debtors	(416,228)	(1,137,181)
Trade and other creditors	(479,717)	1,161,935
Cash generated from operations	1,828,616	136,846
Interest paid	(18,649)	(8,980)
Interest received	111	–
Tax paid	(437,769)	(217,504)
Net cash from/(used in) operating activities	<u>1,372,309</u>	<u>(89,638)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(142,369)	(83,142)
Proceeds from sale of tangible assets	235	1,000
Proceeds from sale of other investments	–	73,990
Net cash used in investing activities	<u>(142,134)</u>	<u>(8,152)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowings	(33,560)	(41,582)
Payments of finance lease liabilities	(27,842)	(53,203)
Dividends paid	(784,000)	(500,000)
Net cash used in financing activities	<u>(845,402)</u>	<u>(594,785)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	384,773	(692,575)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>4,428,888</u>	<u>5,121,463</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>4,813,661</u>	<u>4,428,888</u>

The notes on pages 14 to 26 form part of these financial statements.

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2023

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 1-3 Stadium Close, Penarth Road, Cardiff, CF11 8TS.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

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

Consolidation

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.

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.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Useful economic life of tangible fixed assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated economic lives and residual values of the assets. The useful lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 April 2023

3. ACCOUNTING POLICIES *(continued)*

Judgements and key sources of estimation uncertainty *(continued)*

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Stocks

Stock is assessed for evidence of obsolescence and a provision is made against any items unlikely to be sold for less than cost.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised 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 the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 April 2023

3. ACCOUNTING POLICIES *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land and buildings	-	2% straight line method in buildings and nil on land
Fixtures and fittings	-	15% reducing balance
Motor vehicles	-	25% reducing balance

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the balance sheet as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 April 2023

3. ACCOUNTING POLICIES *(continued)*

Government grants *(continued)*

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are 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 in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 April 2023

3. ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Supplier rebates

The company has a number of arrangements in place with suppliers in connection with the purchase of goods for resale. These rebates are only recognised when earned by the company.

4. TURNOVER

Turnover arises from:

	2023	2022
	£	£
Sale of goods	<u>113,451,798</u>	<u>103,291,853</u>

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

5. OTHER OPERATING INCOME

	2023	2022
	£	£
Government grant income	<u>—</u>	<u>16,857</u>

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 April 2023

6. OPERATING PROFIT

Operating profit or loss is stated after charging/crediting:

	2023 £	2022 £
Depreciation of tangible assets	153,249	166,179
Loss/(gains) on disposal of tangible assets	123	(373)
Impairment of trade debtors	118,895	99,997

7. AUDITOR'S REMUNERATION

	2023 £	2022 £
Fees payable for the audit of the financial statements	11,000	10,000
Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	1,125	1,095
Other non-audit services	3,942	3,517
	5,067	4,612

8. STAFF COSTS

The average number of persons employed by the company during the year, including the directors, amounted to:

	2023 No.	2022 No.
Administrative staff	13	12
Management staff	6	6
Number of sales and delivery staff	100	95
	119	113

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

	2023 £	2022 £
Wages and salaries	4,365,169	3,941,757
Social security costs	461,339	405,301
Other pension costs	76,989	69,970
	4,903,497	4,417,028

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 April 2023

9. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services was:

	2023 £	2022 £
Remuneration	722,681	656,977
Company contributions to defined contribution pension plans	6,606	6,606
	<u>729,287</u>	<u>663,583</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2023 No.	2022 No.
Defined contribution plans	<u>5</u>	<u>5</u>

Remuneration of the highest paid director in respect of qualifying services:

	2023 £	2022 £
Aggregate remuneration	<u>126,325</u>	<u>121,799</u>

10. INCOME FROM OTHER FIXED ASSET INVESTMENTS

	2023 £	2022 £
Gain/(loss) on disposal of other fixed asset investments	<u>-</u>	<u>52,119</u>

11. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2023 £	2022 £
Interest on cash and cash equivalents	<u>111</u>	<u>-</u>

12. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023 £	2022 £
Interest on banks loans and overdrafts	17,943	6,161
Interest on obligations under finance leases and hire purchase contracts	706	2,819
	<u>18,649</u>	<u>8,980</u>

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 April 2023

13. TAX ON PROFIT

Major components of tax expense

	2023 £	2022 £
Current tax:		
UK current tax expense	623,400	437,769
Deferred tax:		
Origination and reversal of timing differences	6,281	29,088
Tax on profit	<u>629,681</u>	<u>466,857</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2022: higher than) the standard rate of corporation tax in the UK of 25% (2022: 19%).

	2023 £	2022 £
Profit on ordinary activities before taxation	<u>3,194,747</u>	<u>2,227,412</u>
Profit on ordinary activities by rate of tax	798,687	423,208
Effect of expenses not deductible for tax purposes	6,765	15,385
Effect of capital allowances and depreciation	1,147	4,045
Group relief	(805)	(11,016)
Effect of the re-measurement of deferred tax following a change of rate	<u>(176,113)</u>	<u>35,235</u>
Tax on profit	<u>629,681</u>	<u>466,857</u>

14. DIVIDENDS

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2023 £	2022 £
Dividends on equity shares	<u>784,000</u>	<u>500,000</u>

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 April 2023

15. TANGIBLE ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 May 2022	3,246,924	1,596,505	972,824	5,816,253
Additions	26,000	116,369	–	142,369
Disposals	–	–	(5,827)	(5,827)
At 30 April 2023	<u>3,272,924</u>	<u>1,712,874</u>	<u>966,997</u>	<u>5,952,795</u>
Depreciation				
At 1 May 2022	764,386	1,200,484	766,277	2,731,147
Charge for the year	42,175	59,437	51,637	153,249
Disposals	–	–	(5,469)	(5,469)
At 30 April 2023	<u>806,561</u>	<u>1,259,921</u>	<u>812,445</u>	<u>2,878,927</u>
Carrying amount				
At 30 April 2023	<u>2,466,363</u>	<u>452,953</u>	<u>154,552</u>	<u>3,073,868</u>
At 30 April 2022	<u>2,482,538</u>	<u>396,021</u>	<u>206,547</u>	<u>3,085,106</u>

Tangible assets with a carrying value of £2,466,363 are pledged as security for the company's bank loan.

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Fixtures and fittings £	Motor vehicles £	Total £
At 30 April 2023	<u>–</u>	<u>19,208</u>	<u>19,208</u>
At 30 April 2022	<u>14,370</u>	<u>65,711</u>	<u>80,081</u>

16. INVESTMENTS

	Shares in group undertakings £	Other investments £	Total £
Cost			
At 1 May 2022 and 30 April 2023	<u>1</u>	<u>99</u>	<u>100</u>
Impairment			
At 1 May 2022 and 30 April 2023	<u>–</u>	<u>–</u>	<u>–</u>
Carrying amount			
At 30 April 2023	<u>1</u>	<u>99</u>	<u>100</u>
At 30 April 2022	<u>1</u>	<u>99</u>	<u>100</u>

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 April 2023

16. INVESTMENTS *(continued)*

Other investments relate to unlisted investments which are held at costs less impairment.

Subsidiaries, associates and other investments

	Class of share	Percentage of shares held
Subsidiary undertakings		
Global Pantry Limited	Ordinary	100

The registered office of Global Pantry Limited is 1-3 Stadium Close, Penarth Road, Cardiff, CF11 8TS.

17. STOCKS

	2023 £	2022 £
Stock	<u>14,523,219</u>	<u>13,748,833</u>

18. DEBTORS

	2023 £	2022 £
Trade debtors	5,250,560	4,729,121
Prepayments and accrued income	92,994	228,205
Other debtors	30,000	–
	<u>5,373,554</u>	<u>4,957,326</u>

19. CREDITORS: amounts falling due within one year

	2023 £	2022 £
Bank loans and overdrafts	49,432	37,229
Trade creditors	9,928,725	10,903,224
Accruals and deferred income	255,877	123,587
Corporation tax	623,400	437,769
Social security and other taxes	403,218	119,763
Obligations under finance leases and hire purchase contracts	9,130	27,199
Director loan accounts	316,040	102,481
Other creditors	607	2,839
	<u>11,586,429</u>	<u>11,754,091</u>

The bank loans is secured by a fixed and floating charge over the company's assets with a fixed charge over the company's freehold properties.

The finance leases and hire purchase agreements are secured on the assets to which they relate.

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 April 2023

20. CREDITORS: amounts falling due after more than one year

	2023	2022
	£	£
Bank loans and overdrafts	412,840	458,603
Obligations under finance leases and hire purchase contracts	–	9,773
	<u>412,840</u>	<u>468,376</u>

Included within creditors: amounts falling due after more than one year is an amount of £186,070 (2022: £301,265) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The bank loan is repayable in monthly instalments ending in 2033. The bank loan carries variable interest at the bank base rate plus 1.195%.

The bank loans is secured by a fixed and floating charge over the company's assets with a fixed charge over the company's freehold properties.

The finance leases and hire purchase agreements are secured on the assets to which they relate.

21. FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2023	2022
	£	£
Not later than 1 year	9,374	28,692
Later than 1 year and not later than 5 years	–	10,936
	<u>9,374</u>	<u>39,628</u>
Less: future finance charges	(244)	(2,656)
Present value of minimum lease payments	<u>9,130</u>	<u>36,972</u>

22. PROVISIONS

	Deferred tax (note 23)
	£
At 1 May 2022	146,809
Additions	6,281
At 30 April 2023	<u>153,090</u>

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 April 2023

23. DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	2023	2022
	£	£
Included in provisions (note 22)	<u>153,090</u>	<u>146,809</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2023	2022
	£	£
Accelerated capital allowances	153,516	146,809
Pension plan obligations	(426)	–
	<u>153,090</u>	<u>146,809</u>

During the year beginning 1 May 2023, the deferred tax liability is expected to reduce by approximately £23,000. This is mainly attributable to the net reversal of timing differences on fixed assets.

24. EMPLOYEE BENEFITS

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £70,383 (2022: £63,364).

25. GOVERNMENT GRANTS

The amounts recognised in the financial statements for government grants are as follows:

	2023	2022
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	<u>–</u>	<u>16,857</u>

26. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>80</u>	<u>80</u>	<u>80</u>	<u>80</u>

GLOBAL FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 April 2023

27. RESERVES

Called up share capital - represents the nominal value of shares that have been issued.

Capital redemption reserve - this reserve records the nominal value of shares repurchased by the company.

Profit and loss account - this reserve records retained earnings and accumulated profits/losses.

28. ANALYSIS OF CHANGES IN NET DEBT

	At 1 May 2022	Cash flows	At 30 Apr 2023
	£	£	£
Cash at bank and in hand	4,428,888	384,773	4,813,661
Debt due within one year	(64,428)	5,866	(58,562)
Debt due after one year	(468,376)	55,536	(412,840)
	<u>3,896,084</u>	<u>446,175</u>	<u>4,342,259</u>

29. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

Included within creditors due within one year is an amount of £316,040 (2022 - £102,481) due to a director.

30. CONTROLLING PARTY

The directors are of the opinion that the company is controlled by the executors of The Mohammed Yaqub Will Trust.