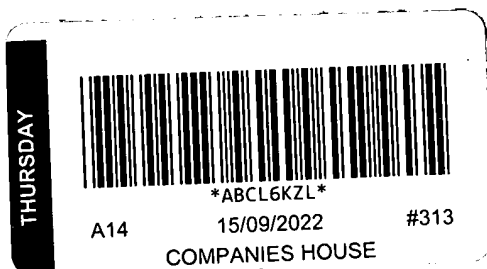


Registered number: 02372728

MAGNAVALE CHESTERFIELD LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 26 DECEMBER 2021



MAGNAVALE CHESTERFIELD LTD

COMPANY INFORMATION

Directors	A C Lawrence A J Cogan
Company secretary	T Potocki
Registered number	02372728
Registered office	Magnavale House Park Road Holmewood Industrial Park Chesterfield Derbyshire S42 5UY
Independent auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

MAGNAVALE CHESTERFIELD LTD

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 8
Statement of Income and Retained Earnings	9
Statement of Financial Position	10 - 11
Notes to the Financial Statements	12 - 26

**STRATEGIC REPORT
FOR THE PERIOD ENDED 26 DECEMBER 2021**

Introduction

The Directors are pleased to present their strategic report for the year ended 26 December 2021.

Business review and financial performance indicators

The Company continues to provide frozen, chilled and ambient storage to its customers along with providing a range of value-added services including blast freezing, tempering both through industrial microwaves and chamber facilities, repacking, container loading and unloading.

Following the pandemic, the company returned to normal trading conditions, delivering a 19.0% increase in its turnover. The company forecasts that this trading growth will continue into 2022. Further growth will be achieved due to the overall market conditions improving, further improvements to the level of exports and refinancing of the whole group that will see existing sites improved and expanded for additional storage facilities whilst also paying increased rentals for cold storage.

The Board and Shareholders would therefore like to place on record their thanks to all employees within the business that enabled the delivery of this result. We consider our key financial performance indicators to be those that communicate the financial performance and strength of the group as a whole, in particular turnover and gross margin. The Company and the Group that it is part of continues to operate comfortably within all of its external loan covenants.

	28 December 2020 to 26 December 2021 £	1 January 2020 to 27 December 2020 £
Turnover	12,742,876	10,703,848
Gross profit	6,179,468	3,678,326

Principal risks and uncertainties

The board is responsible for the company's risk management and for ensuring that robust processes are in place to identify, manage and report risks that threaten the objectives of the company. These include Financial, Operational and Regulatory compliance risks. The principal features of the Company's risk management are:

A strong control environment, which is founded on an appropriate organizational structure for planning, executing, controlling, and monitoring business operations. It includes clearly defined responsibilities and accountabilities.

MAGNAVALE CHESTERFIELD LTD

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 26 DECEMBER 2021**

Control Procedures

These include budgetary systems and management controls to manage financial risks; timely and accurate management information in respect of key performance measures; and procedures to ensure complete and accurate accounting, which are regularly reviewed by the board.

Customer

The risk of contract cancellation and customer confidence is managed by providing a high-quality service and to customer requirements.

Staff

The operations of the Group depend upon the continuing employment of key staff and the ability to recruit and retain people with the expertise and experience required. To achieve this the Group provides what it believes to be competitive remuneration commensurate with the industry and is increasing its commitment to employee development and well-being.

Credit Risk

The Group seeks to manage its credit risk by dealing with established customers or otherwise checking the credit worthy-ness of new customers, establishing clear contractual relationships with those customers and identifying and addressing any credit issues arising in a timely manner.

Interest Rate Risk

The Group's exposure to market risk for the changes in interest rates relates primarily to its external borrowings. The Group seeks to manage this risk by obtaining the most competitive rates available in the market.

As for many businesses of our size, the business environment in which we operate continues to be challenging with good levels of competition in the marketplace. The strength of our offering is in our ability to meet the needs of our customers and alongside this, the continued increase in our customer base and service offerings forms an effective means of managing economic risk in the current environment.

Our key financial risk is the ability to continue to generate and access sufficient funds to pay down debt, satisfy our ongoing business requirements and continue to grow.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control. However, in terms of what we can foresee at present and the knowledge we have already for 2022, we remain very confident in the prospects of the business going forward and the results for 2022 are positive.

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

A Lawrence

A C Lawrence

Director

Date: 09 September 2022

MAGNAVALE CHESTERFIELD LTD

DIRECTORS' REPORT FOR THE PERIOD ENDED 26 DECEMBER 2021

The directors present their report and the financial statements for the period ended 26 December 2021.

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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Going concern

The company uses liquid resources and working capital balances arising directly from its trading operations. The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Liquidity is monitored regularly by reference to cash flow forecasts and available banking and loan facilities.

The directors, having prepared cashflow forecasts to December 2023, including a sensitivity analysis, expect increased revenue levels in 2022 and 2023, and the forecast outlook underpins the director's expectations that the business will continue to operate as a going concern for the foreseeable future. The company obtained additional finance in 2021 and will continue to look for additional funds in 2022 to meet its business objectives for expansion. Additional support is also available from its parent company in the event that additional funding is required for the company to meet its obligations as they fall due. The directors therefore believe that there are no material uncertainties that may cast significant doubt on the company's ability to continue as a going concern.

Principal activity

Magnavale Chesterfield Limited provide logistical support, fulfilment and other value add processes to the food processing and food logistics industries. The company operates from frozen, chilled and ambient facilities in Chesterfield and it has invested in industrial microwaves and chamber facilities in order to undertake blast freezing and tempering of its customers' products and provides further value add services such as load, repacking, container loading and unloading.

MAGNAVALE CHESTERFIELD LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 26 DECEMBER 2021**

Results and dividends

The profit for the period, after taxation, amounted to £645,234 (2020 - loss £743,610).
The directors do not recommend the payment of a dividend for the accounting period.

Directors

The directors who served during the period and up to the date of signing the financial statements were:

A C Lawrence
S A Lawrence (resigned 30 June 2022)
A J Cogan

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.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

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

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

A Lawrence

A C Lawrence
Director
Date: 09 September 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAGNAVALE CHESTERFIELD LTD

Opinion

We have audited the financial statements of Magnavale Chesterfield Ltd (the 'Company') for the period ended 26 December 2021, which comprise the Statement of Income and Retained Earnings, 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 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 26 December 2021 and of its profit for the period 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.

MAGNAVALE CHESTERFIELD LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAGNAVALE CHESTERFIELD LTD (CONTINUED)

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 period 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAGNAVALE CHESTERFIELD LTD
(CONTINUED)**

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:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud:

Based on our understanding of the Company and its industry, we identified the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- inspecting correspondence with regulators and tax authorities;
- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- evaluating management's controls designed to prevent and detect irregularities;
- identifying and testing journals, in particular journal entries posted with unusual account combinations or descriptions, around the period end, and journals with related parties; and
- challenging assumptions and judgements made by management in their critical accounting estimates.

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

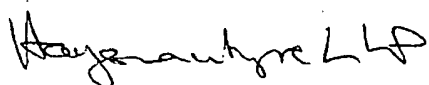
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

MAGNAVALE CHESTERFIELD LTD

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAGNAVALE CHESTERFIELD LTD
(CONTINUED)**

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.



Ian Daniels (Senior Statutory Auditor)

for and on behalf of
Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place
London

EC4R 1AG

Date: 09 September 2022

MAGNAVALE CHESTERFIELD LTD

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE PERIOD ENDED 26 DECEMBER 2021**

	Note	28 December 2020 to 26 December 2021 £	1 January 2020 to 27 December 2020 £
Turnover	4	12,742,876	10,703,848
Cost of sales		(6,582,334)	(7,025,522)
Gross profit		6,160,542	3,678,326
Administrative expenses		(4,947,535)	(5,172,542)
Other operating income	5	312,895	883,852
Operating profit/(loss)	6	1,525,902	(610,364)
Interest payable and similar expenses	10	(159,785)	(107,091)
Profit/(loss) before tax		1,366,117	(717,455)
Tax on profit/(loss)	11	(720,883)	(26,155)
Profit/(loss) after tax		645,234	(743,610)
Retained earnings at the beginning of the period		242,255	985,865
		242,255	985,865
Profit/(loss) for the period		645,234	(743,610)
Retained earnings at the end of the period		887,489	242,255
The notes on pages 12 to 26 form part of these financial statements.			

MAGNAVALE CHESTERFIELD LTD
REGISTERED NUMBER: 02372728

STATEMENT OF FINANCIAL POSITION
AS AT 26 DECEMBER 2021

	Note	26 December 2021 £	27 December 2020 £
Fixed assets			
Tangible assets	12	5,969,931	3,192,383
		<u>5,969,931</u>	<u>3,192,383</u>
Current assets			
Stocks	13	131,864	88,329
Debtors: amounts falling due within one year	14	4,815,615	4,138,874
Cash at bank and in hand	15	153	36,851
		<u>4,947,632</u>	<u>4,264,054</u>
Creditors: amounts falling due within one year	16	(8,499,523)	(6,255,409)
Net current liabilities		<u>(3,551,891)</u>	<u>(1,991,355)</u>
Total assets less current liabilities.		<u>2,418,040</u>	<u>1,201,028</u>
Creditors: amounts falling due after more than one year	17	-	(128,271)
Provisions for liabilities			
Deferred tax	18	(930,551)	(230,502)
		<u>(930,551)</u>	<u>(230,502)</u>
Net assets		<u><u>1,487,489</u></u>	<u><u>842,255</u></u>

MAGNAVALE CHESTERFIELD LTD
REGISTERED NUMBER: 02372728

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 26 DECEMBER 2021

	Note	26 December 2021 £	27 December 2020 £
Capital and reserves			
Called up share capital	19	222,222	222,222
Share premium account	20	377,778	377,778
Profit and loss account	20	887,489	242,255
		<u>1,487,489</u>	<u>842,255</u>

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

A Lawrence

A C Lawrence
Director
Date: 09-September 2022

The notes on pages 12 to 26 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021**

1. General information

The Company is a private company limited by shares, incorporated in England and Wales under the Companies Act. Its registered office address and principal place of business is Magnavale House, Park Road, Holmewood Industrial Park, Holmewood, Chesterfield, S42 5UY.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Beta (International) UK Limited as at 26 December 2021 and these financial statements may be obtained from Magnavale House, Park Road, Holmewood Industrial Park, Holmewood, Chesterfield, S42 5UY.

2.3 Going concern

The directors, having prepared cashflow forecasts to December 2023, including a sensitivity analysis, expect increased revenue levels in 2022 and 2023, and the forecast outlook underpins the directors' expectations that the business will continue to operate as a going concern for the foreseeable future. The company obtained additional finance in 2021 and will continue to look for additional funds in 2022 to meet its business objectives for expansion. Additional support is also available from its parent company in the event that additional funding is required for the company to meet its obligations as they fall due. The directors therefore believe that there are no material uncertainties that may cast significant doubt on the company's ability to continue as a going concern.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.6 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021**

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

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:

Property improvements	- 20%
Plant and machinery	- 10-20%
Equipment	- 20%

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.

Assets in the course of construction represent plant and machinery acquired for the purposes of the expansion of the Company's operations, but entered into use and commenced being depreciated after the balance sheet date.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 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.

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021

2. Accounting policies (continued)

2.11 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 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.

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.14 Pensions

Defined contribution pension plan

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.

2.15 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.16 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021**

2. Accounting policies (continued)

2.17 Current and deferred taxation

The tax expense for the period 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.

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

The directors make estimates and assumptions about the future. These estimates and assumptions impact recognised assets and liabilities, as well as revenue and expenses and other disclosures. These estimates are based on the historical experience and on various assumptions considered reasonable under the prevailing conditions. The actual outcome may diverge from these assumptions if other conditions in the market prevail. The estimates and assumptions that may have a significant effect on the carrying value of assets and liabilities within the financial year include:

- Tangible fixed assets are recognised at cost, less accumulated depreciation and any impairments. Depreciation takes place over the estimated useful life, down to the associated residual value. The carrying amount of the company's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.
- The recoverability of trade debtors and associated provisioning is considered on a regular basis. When calculating the debtor provision, the Directors consider the age of the debts and the financial position of its customers.

4. Turnover

All turnover arose within the United Kingdom.

MAGNAVALE CHESTERFIELD LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021**

5. Other operating income

	28 December 2020 to 26 December 2021 £	1 January 2020 to 27 December 2020 £
Intragroup recharges receivable	106,718	300,659
Other operating income	201,557	567,021
Government grants receivable	4,620	16,172
	<u>312,895</u>	<u>883,852</u>

6. Operating profit/(loss)

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

	28 December 2020 to 26 December 2021 £	1 January 2020 to 27 December 2020 £
Depreciation of tangible fixed assets	753,301	697,560
Other operating lease rentals	<u>1,677,758</u>	<u>1,398,964</u>

7. Auditors' remuneration

	28 December 2020 to 26 December 2021 £	1 January 2020 to 27 December 2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>15,500</u>	<u>14,000</u>

MAGNAVALE CHESTERFIELD LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021**

8. Employees

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

	28 December 2020 to 26 December 2021 £	1 January 2020 to 27 December 2020 £
Wages and salaries	3,763,230	3,868,600
Social security costs	257,173	198,458
Cost of defined contribution scheme	59,640	58,099
	<u>4,080,043</u>	<u>4,125,157</u>

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

	28 December 2020 to 26 December 2021 No.	1 January 2020 to 27 December 2020 No.
Production staff	105	86
Administrative staff	4	6
Management staff	1	1
	<u>110</u>	<u>93</u>

9. Directors' remuneration

	28 December 2020 to 26 December 2021 £	1 January 2020 to 27 December 2020 £
Directors' emoluments	12,411	74,468
	<u>12,411</u>	<u>74,468</u>

MAGNAVALE CHESTERFIELD LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021**

10. Interest payable and similar expenses

	28 December 2020 to 26 December 2021 £	1 January 2020 to 27 December 2020 £
Bank interest payable	26,824	68,529
Loans from group undertakings	121,007	-
Finance leases and hire purchase contracts	6,271	38,562
Other interest payable	5,683	-
	<u>159,785</u>	<u>107,091</u>

11. Taxation

	28 December 2020 to 26 December 2021 £	1 January 2020 to 27 December 2020 £
Adjustments in respect of previous periods	20,834	(20,834)
	<u>20,834</u>	<u>(20,834)</u>
Total current tax	<u>20,834</u>	<u>(20,834)</u>
Deferred tax		
Origination and reversal of timing differences	700,985	25,399
Effect of tax rate change	(936)	21,590
Total deferred tax	<u>700,049</u>	<u>46,989</u>
Taxation on profit on ordinary activities	<u>720,883</u>	<u>26,155</u>

MAGNAVALE CHESTERFIELD LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021**

11. Taxation (continued)**Factors affecting tax charge for the period**

The tax assessed for the period is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below:

	28 December 2020 to 26 December 2021 £	1 January 2020 to 27 December 2020 £
Profit/(loss) on ordinary activities before tax	1,366,117	(717,457)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	259,562	(136,316)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	593	9,817
Fixed asset difference	(152,694)	3,802
Group relief surrendered	310,030	43,109
Adjustments to tax charge in respect of prior periods	20,834	(20,834)
Remeasurement of deferred tax for changes in tax rates	203,981	27,047
Deferred tax not recognised	78,577	99,530
Total tax charge for the period	720,883	26,155

MAGNAVALE CHESTERFIELD LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021**

12. Tangible fixed assets

	Property improvements £	Plant and machinery £	Office equipment £	Assets in the course of construction £	Total £
Cost or valuation					
At 28 December 2020	202,924	5,514,768	227,291	-	5,944,983
Additions	67,692	439,160	19,023	3,514,981	4,040,856
Transfers intra group	-	(841,370)	-	-	(841,370)
At 26 December 2021	270,616	5,112,558	246,314	3,514,981	9,144,469
Depreciation					
At 28 December 2020	119,324	2,518,159	115,117	-	2,752,600
Charge for the period on owned assets	21,667	682,632	49,002	-	753,301
Transfers intra group	-	(331,363)	-	-	(331,363)
At 26 December 2021	140,991	2,869,428	164,119	-	3,174,538
Net book value					
At 26 December 2021	129,625	2,243,130	82,195	3,514,981	5,969,931
At 27 December 2020	83,600	2,996,609	112,175	-	3,192,384

13. Stocks

	26 December 2021 £	27 December 2020 £
Raw materials and consumables	131,864	88,329
	<u>131,864</u>	<u>88,329</u>

MAGNAVALE CHESTERFIELD LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021**

14. Debtors

	26 December 2021 £	27 December 2020 £
Trade debtors	2,598,338	2,502,667
Amounts owed by group undertakings	1,609,809	953,118
Other debtors	-	60,750
Prepayments and accrued income	607,468	622,339
	<u>4,815,615</u>	<u>4,138,874</u>

The provision for the year against trade debtors was £NIL (2020: £107,700).

15. Cash and cash equivalents

	26 December 2021 £	27 December 2020 £
Cash at bank and in hand	153	36,851
	<u>153</u>	<u>36,851</u>

MAGNAVALE CHESTERFIELD LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021**

16. Creditors: Amounts falling due within one year

	26 December 2021 £	27 December 2020 £
Invoice discounting	549,443	1,286,698
Bank loans	-	247,099
Trade creditors	875,519	637,343
Amounts owed to group undertakings	6,644,488	3,142,859
Other taxation and social security	141,042	316,301
Obligations under finance lease and hire purchase contracts	-	247,060
Other creditors	56,856	40,019
Accruals and deferred income	232,175	338,030
	<u>8,499,523</u>	<u>6,255,409</u>

Invoice discounting balances are secured over the trade debtors up to a maximum limit of £5.5m (2020: £8m).

Bank loans are secured against assets within the Company.

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

17. Creditors: Amounts falling due after more than one year

	26 December 2021 £	27 December 2020 £
Net obligations under finance leases and hire purchase contracts	-	128,271
	<u>-</u>	<u>128,271</u>

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

MAGNAVALE CHESTERFIELD LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021**

18. Deferred taxation

	2021 £
At beginning of period	(230,502)
Charged to profit or loss	(700,049)
At end of period	<u>(930,551)</u>

The provision for deferred taxation is made up as follows:

	26 December 2021 £	27 December 2020 £
Accelerated capital allowances	(932,660)	(231,675)
Short term timing difference	2,109	1,173
	<u>(930,551)</u>	<u>(230,502)</u>

19. Share capital

	26 December 2021 £	27 December 2020 £
Allotted, called up and fully paid		
222,222 (2020 - 222,222) Ordinary shares shares of £1.00 each	<u>222,222</u>	<u>222,222</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021**

20. Reserves**Share premium account**

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

Profit and loss account

This reserve records retained earnings and accumulated losses.

21. Pension commitments

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 £59,640 (2020: £58,099). Contributions totaling £8,436 (2020: £6,174) were payable to the fund at the reporting date and are included in creditors.

22. Commitments under operating leases

At 26 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	26 December 2021 £	27 December 2020 £
Not later than 1 year	1,682,843	1,682,843
Later than 1 year and not later than 5 years	3,824,331	5,507,174
	<u>5,507,174</u>	<u>7,190,017</u>

23. Related party transactions

Transactions with companies wholly owned by Beta International (UK) Limited are not disclosed in accordance with section 33.1A of FRS 102.

During the period the Company was invoiced a total amount of £74,798 (2020: £nil) to a company under common control for provision of services.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021**

24. Controlling party

The results of the Company are included in the consolidated financial statements of Beta International (UK) Limited, and this is the largest and smallest group of undertakings for which group accounts are drawn up. Group accounts are available to the public from Companies House.

The immediate parent entity is Magnavale Limited, a company registered in England and Wales.

The ultimate parent entity is SADEL Group S.a.r.l, a company registered in Luxembourg.

The ultimate controlling party is S A Lawrence, a director, by virtue of his shareholding in the ultimate parent entity.