

COMPANY REGISTRATION NUMBER: 2874484

Nijjar Dairies Limited

Financial Statements

2nd January 2021

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COMPANIES HOUSE

JAVED & CO

Chartered Accountants & statutory auditor
109 Hagley Road
Birmingham
B16 8LA

Nijjar Dairies Limited
Financial Statements
Period Ended 2nd January 2021

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Nijjar Dairies Limited

Officers and Professional Advisers

The board of directors

Mr Balvinder Singh Nijjar
Mr Bharat Chimanlal Shah
Mr Harish Ramchandani
Mr Ravinder Singh Nijjar
Mr Vinesh Shah Harakhchand

Company secretary

Mr Ravinder Singh Nijjar

Registered office

16 Eastman Road
The Vale
Acton
London
W3 7YG

Auditor

Javed & Co
Chartered Accountants & statutory auditor
109 Hagley Road
Birmingham
B16 8LA

Bankers

Barclays Bank Plc
Queen Square
Wolverhampton
WV1 1DS

Nijjar Dairies Limited

Strategic Report

Period Ended 2nd January 2021

Introduction

The principal activity of the company is that of wholesaler and retail seller of dairy and other related products.

There have not been any significant changes in the company's activities in the period under review. The directors are not aware, as at the date of report, of any likely major changes in the company's activities in the next period.

The Strategic report is only part of the full accounts and additional reports.

Business Review

Nijjar Dairies Limited's turnover remained stable during the period at £213 million. There was a slight rise in operating margins but the company made a net loss after tax of £5.3m including £1.44m in impairment losses. This was tough trading period as business sales was affected during the period due to Covid.

The company's balance sheet as detailed on page 18 shows a shareholder deficit of £9.9m.

The business is focusing on its strengths in core milk, cream and grocery products distribution and has made significant investment in updating the site, plant and machinery and distribution network of motor vehicles and warehousing.

Key Performance Indicators

The company expects to continue to receive support from group companies and creditors. Given the straight forward nature of the business the company's directors are of the opinion that the following Key Performance Indicators (KPI's) are appropriate for an understanding of the development performance of the entity.

	2020	2019	Percentage
	£	£	Change
Turnover	213 million	213 million	0%
Gross Profit	30.4 million	29.9 million	2%
Profit/(Loss) before tax	(5.99) million	0.43 million	(1493)%
Cash at bank & in hand	0.43 million	0.31 million	39%
Trade debtors	22.6 million	30.9 million	(27)%
Trade creditors	4.3 million	8.1 million	(47)%
Bank loan & overdraft	16.6 million	19.5 million	(15)%
Net current liabilities	15.4 million	9.8 million	57%

Principal risks and uncertainties

Credit risk

The company manages credit risk by tight credit control and credit insured debtors of up to £5.29m across 38 of their largest customers.

Nijjar Dairies Limited

Strategic Report *(continued)*

Period Ended 2nd January 2021

Liquidity risk

The company manages its cash flow risk by using a rolling 13 weeks cash flow forecast and adopting a mixture of medium and short-term borrowing facilities.

Commodity pricing risk

The company is exposed to commodity pricing risks for milk, grocery and fuel costs. This is managed by having strong relationships with its suppliers and customers and passing on changing prices to customers whenever possible.

Other risk

The Covid-19 pandemic has been an unprecedented situation which has impacted operations of the company. The pandemic has had significant effects on suppliers/customers due to the uncertainty around companies being able to operate with the impact of isolation being the main contributor. The company has engaged in measures during the period like working from home and the use of the Coronavirus Job Retention Scheme where practical and will continue to monitor the situation regarding wider impact of the virus on milk delivery, changing customer behaviour and other operations alike.

Brexit has happened during the period; the business has had minimal dealings with EU suppliers.

Going Concern

The Directors have adopted the going concern basis in preparing these accounts after assessing the principal risks but there can be no certainty in the matter. The Directors have considered the impact of the current Covid-19 environment on the business for the next 12 months. The planning was difficult in the current climate so the directors have considered the impact of Covid-19 on business sales, customers and suppliers. The Directors of the company took various measures and decided to furlough staff where necessary and carried out a comprehensive review of all costs impacting the business making cost reductions in areas. The Directors engaged with the leasing companies and renegotiated term timetables to provide NDL with 3 to 4 months of payment holidays. The Directors believe that the group and company will move towards breakeven over the next 12 months and anticipate a recovery in the following years.

As seen on page 17, at the balance sheet date, the company had net current liabilities of £15,386,603. The company is a subsidiary of Nijjar Holdings and is reliant on the continuing support of the group companies headed by Nijjar Group Holdings (Acton) Ltd, ultimate holding company of the group. The company is also relying on continuing financial support from the bank with regards to their facility. The Directors have prepared forecasts and projections taking the above factors taken into consideration and concluded that the group will have sufficient resources to meet its financial obligations as they fall due for the period at least 12 months from the signing of these financial statements. A letter of support from the holding company and two fellow subsidiaries has been given for continued financial support to the company for the next 12 months.

Nijjar Dairies Limited

Strategic Report *(continued)*

Period Ended 2nd January 2021

Energy and carbon reporting - Streamlined Energy & Carbon Reporting 2019/20

The information provided in this report address the Company's obligation under the Companies (Director's Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, commonly referred to as Streamlined Energy & Carbon Reporting (SECR). The report builds up on the information provided by Nijjar Dairies Ltd for previous reporting year under the Mandatory Greenhouse Gas (GHG) requirements.

The data reported below relates to emissions from activities in the operational control of the Company from 29th December 2019 to 2nd January 2021 consistent with its financial reporting period. All of the energy consumption and emissions data relate to activities undertaken in the United Kingdom.

Energy data is based on activity data contained in supplier invoices for road fuel transactions used for business travel and minor quantities for gas used in other small equipment plus utility meter data for electricity usage.

Parameter	Unit	2021 £	2019 £
Fuels	kWh	28,084,638	31,288,465
Electricity	kWh	1,011,075	908,751
Total Energy Use	kWh	29,095,713	32,197,216
Scope 1 Emissions	Tonnes CO2e	7,180	7,999
Scope 2 Emissions	Tonnes CO2e	236	212
Total Scope 1&2 Emissions	Tonnes CO2e	7,416	8,211

The company has followed the GHG Protocol Corporate Accounting and Reporting Standard to calculate emissions from fuels (Scope 1) and from purchased electricity (Scope 2). Carbon emission factors have been used to convert each activity that gives rise to GHG emissions to a carbon dioxide equivalent (CO2e) using the latest government conversion factors for company reporting. Scope 1 emission data includes the material sources of road fuel used by all company vehicles. Scope 2 emissions data includes purchased electricity used in manufacturing, distribution and the offices. The company do not monitor any incoming distribution channels so those figures have been excluded from the report.

Director's duties - compliance with S172 of the Companies Act 2006

Section 172 of the Companies Act 2006 require directors of the group to act in a way they consider, in good faith, would most likely promote the success of the group for the benefit of its shareholders as a whole. In doing this, section 172 requires a director to have a regard, amongst other matters, to the:

- Likely consequences of any decision in the long term;
- Need to foster the group's business relationship with suppliers, customers and others;
- Impact of the group's operations on the community and environment;
- Desirability of the group maintaining a reputation for high standards of business conduct;
- Need to act fairly between members of the group.

Nijjar Dairies Limited

Strategic Report *(continued)*

Period Ended 2nd January 2021

Stakeholder Relationships and Engagement

The Board understands that good governance includes maintaining a clear, effective, meaningful relationship with all relevant stakeholders including our customers, our employees, the wider Group, our suppliers and the communities and environments in which we operate.

How we engage our employees

We recognise that people are our valuable asset. Our success is dependent on their efforts and investment into our staff. The board holds the strong belief that engaging with our people is of key importance to successfully implementing its longer term strategies. Investing in our people with training and development is protecting our future and promoting our success. The company policies and practices are applied at a local level. Ongoing dialogue between managers and teams throughout the calendar year is proactively encouraged. All our employees agree to follow the dedicated UK employee handbook which includes all our related policies.

Customers and consumers

Our customers are essential to our business. Working with transparency and openness fosters our long-term customer relationships, and understanding our customers wants and needs informs our business decisions and priorities. We build trust with our customers through acting with integrity, honesty and promoting effective communication. Our customers are interested in our long-term trading position as they seek guarantee of supply and consistency of product and pricing.

Our food service channel has been a high growth area during the period for the Company. Our consumers are the end users of our products and services and continued engagement remains at the forefront of our strategic decisions.

We are dedicated to providing each and every one of our clients throughout the UK, with the freshest milk and dairy products available. From wholesalers and manufacturers right through to small businesses such as bakeries, cafes, hotels and retailers, we are the reliable dairy products supplier in the UK. We pride ourselves on being an independent and family-run business that offers only the highest quality dairy products and supplies of a wide range of own-label and branded food including bread, yogurt, fruit juices, cheeses, and eggs.

Nijjar Dairies Limited

Strategic Report *(continued)*

Period Ended 2nd January 2021

Our external suppliers

The Board recognises the key role that our external suppliers of everything else excluding milk, play in ensuring the reliable delivery of products to our customers. We deal with proven suppliers which gives confidence over our suppliers' practices. This all lends itself to more efficient relationships with our suppliers in terms of delivery, issues that arise and effective consolidation of ordering. We proactively manage our key supplier relationships and hold regular meetings to provide opportunity for hearing from our strategic partners first hand on what challenges they face and understanding ways we can collaborate towards solutions. The Board engages where necessary in terms of matters of external suppliers, be it a decision over which supplier to use, or discussions of any significant issues or disputes that may arise.

External environment

The UK is aligned over the importance given to sustainability and it forms a crucial part of the Company strategy and the Board considers the external environment in several ways. We are constantly taking steps to achieve our goals, from reducing CO2 emissions to reducing waste in our operations. For example, we reduce CO2 emissions through effective route planning. An example of our commitment to sustainable packaging is our continued commitment to increase the level of recycle-friendly packaging materials we use, including the use of film pouches instead of plastic bottles by investing in new plant and machinery over the years to reduce plastic use.

This report was approved by the board of directors on 27 September 2021 and signed on behalf of the board by:



Mr Balvinder Singh Nijjar
Director

Registered office:
16 Eastman Road
The Vale
Acton
London
W3 7YG

Nijjar Dairies Limited

Directors' Report

Period Ended 2nd January 2021

The directors present their report and the financial statements of the company for the period ended 2nd January 2021.

Principal activities

The principal activity of the company is that of wholesaler and retail seller of dairy and other related products.

Directors

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

Mr Bharat Chimanlal Shah

Mr Harish Ramchandani

Mr Ravinder Singh Nijjar

Mr Balvinder Singh Nijjar (Appointed 16th April 2020)

Mr Vinesh Shah Harakhchand (Appointed 1st December 2020)

Dividends

The directors do not recommend the payment of a dividend.

Employment of disabled persons

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

The policy of providing employees with information about the company was introduced a few years ago, in which employees are encouraged to present their suggestions and views on the company. The company provide opportunities for training and development for all staff and reward employees with departmental staff parties; including food when overtime is completed and employee of the month schemes.

Disclosure of information in the strategic report

Key Performance Indicators (KPI's) and principal risks have been disclosed in Strategic report on page 2.

Nijjar Dairies Limited

Directors' Report *(continued)*

Period Ended 2nd January 2021

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 period. 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.

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.

Nijjar Dairies Limited

Directors' Report *(continued)*

Period Ended 2nd January 2021

This report was approved by the board of directors on 27 September 2021 and signed on behalf of the board by:



Mr Balvinder Singh Nijjar
Director

Registered office:
16 Eastman Road
The Vale
Acton
London
W3 7YG

Nijjar Dairies Limited

Independent Auditor's Report to the Members of Nijjar Dairies Limited

Period Ended 2nd January 2021

Opinion

We have audited the financial statements of Nijjar Dairies Limited (the 'company') for the period ended 2nd January 2021 which comprise the statement of income and retained earnings, 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 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 2nd January 2021 and of its loss for the period 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.

Nijjar Dairies Limited

Independent Auditor's Report to the Members of Nijjar Dairies Limited *(continued)*

Period Ended 2nd January 2021

Material uncertainty related to going concern

We draw attention to negative net current liabilities of £15.3m, as shown on the balance sheet page 17, that may cast significant doubt on the entities ability to continue as going concern. The company is heavily reliant on the continued support of group companies and bank facilities.

We also draw your attention to additional uncertainty created by the ongoing Covid situation and the merger negotiations between Nijjar Group's milk processing and distributing companies (including NDL) and Medina Holdings Ltd and its subsidiaries. The merger is currently under review to seek clearance to proceed with the Competition and Markets Authority (CMA).

These matters indicate there are material uncertainties that may cause significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

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.

Nijjar Dairies Limited

Independent Auditor's Report to the Members of Nijjar Dairies Limited *(continued)*

Period Ended 2nd January 2021

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 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, 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.

Nijjar Dairies Limited

Independent Auditor's Report to the Members of Nijjar Dairies Limited *(continued)*

Period Ended 2nd January 2021

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:

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, Financial Reporting Standards, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, appropriate audit procedures were used to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

Nijjar Dairies Limited

Independent Auditor's Report to the Members of Nijjar Dairies Limited *(continued)*

Period Ended 2nd January 2021

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.
- 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.

Nijjar Dairies Limited

Independent Auditor's Report to the Members of Nijjar Dairies Limited *(continued)*

Period Ended 2nd January 2021

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.

Mr Muhammed Aslam Alam Nomani (Senior Statutory Auditor)

For and on behalf of

Javed & Co

Chartered Accountants & statutory auditor

109 Hagley Road

Birmingham

B16 8LA

27 September 2021

Nijjar Dairies Limited

Statement of Income and Retained Earnings

Period Ended 2nd January 2021

		Period from 29 Dec 19 to 2 Jan 21	Period from 1 Jan 19 to 28 Dec 19
	Note	£	£
Turnover	4	213,316,720	213,557,612
Cost of sales		<u>(182,950,716)</u>	<u>(183,659,262)</u>
Gross profit		30,366,004	29,898,350
Administrative expenses	30	<u>(39,107,166)</u>	<u>(31,907,092)</u>
Other operating income	5	<u>3,566,621</u>	<u>3,199,200</u>
Operating profit/(loss)	6	(5,174,541)	1,190,458
Interest payable	10	<u>(811,577)</u>	<u>(756,676)</u>
(Loss)/profit before taxation		(5,986,118)	433,782
Taxation on ordinary activities	11	<u>637,696</u>	<u>263,715</u>
(Loss)/profit for the financial period and total comprehensive income		<u>(5,348,422)</u>	<u>697,497</u>
Retained losses at the start of the period		<u>(5,334,497)</u>	<u>(6,031,994)</u>
Retained losses at the end of the period		<u>(10,682,919)</u>	<u>(5,334,497)</u>

All the activities of the company are from continuing operations.

The notes on pages 19 to 38 form part of these financial statements.

Nijjar Dairies Limited
Statement of Financial Position
2nd January 2021

	Note	2 Jan 21 £	28 Dec 19 £
Fixed assets			
Intangible assets	12	495,044	552,203
Tangible assets	13	6,088,091	8,128,698
Investments	14	5,374,811	—
		<u>11,957,946</u>	<u>8,680,901</u>
Current assets			
Stocks	15	627,440	547,243
Debtors	16	25,267,735	37,347,344
Cash at bank and in hand		428,790	308,708
		<u>26,323,965</u>	<u>38,203,295</u>
Creditors: amounts falling due within one year	17	<u>(41,710,568)</u>	<u>(47,963,569)</u>
Net current liabilities		<u>(15,386,603)</u>	<u>(9,760,274)</u>
Total assets less current liabilities		<u>(3,428,657)</u>	<u>(1,079,373)</u>
Creditors: amounts falling due after more than one year	18	(7,159,944)	(4,089,478)
Provisions			
Taxation including deferred tax	20	(679,672)	(608,344)
Net liabilities		<u>(9,908,929)</u>	<u>(4,560,507)</u>

The statement of financial position
continues on the following page.
The notes on pages 19 to 38 form part of these financial statements.

Nijjar Dairies Limited

Statement of Financial Position *(continued)*

2nd January 2021

	Note	2 Jan 21 £	28 Dec 19 £
Capital and reserves			
Called up share capital	23	2,234	2,234
Share premium account	24	771,756	771,756
Profit and loss account	24	(10,682,919)	(5,334,497)
Shareholder's deficit		<u>(9,909,929)</u>	<u>(4,560,507)</u>

These financial statements were approved by the board of directors and authorised for issue on ~~29~~ September 2021 and are signed on behalf of the board by:



Mr Balvinder Singh Nijjar
Director

Company registration number: 2874484

The notes on pages 19 to 38 form part of these financial statements.

Nijjar Dairies Limited

Notes to the Financial Statements

Period Ended 2nd January 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 16 Eastman Road, The Vale, Acton, London, W3 7YG.

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. Significant accounting policies

Basis of preparation

The principal activity of the company is that of wholesaler and retail seller of dairy and other related products. The address of the registered office is given in the company information on page 1 of these financial statements. The financial statements are prepared in sterling, which is the functional currency of the entity.

The directors believe that a going concern basis is appropriate as the holding company have given a pledge of financial support to the company for at least 12 months.

The 'Nijjar Group' consisting of Nijjar Dairies Limited (NDL), RSN Property Limited (RSN), Freshways Limited (FWL), Nijjar Property Limited (NPL), Nijjar Holdings Limited (NHL) and Chequers Transport (Bedford) Ltd (CTL) have a bank facility with unlimited cross group guarantees in favour of the bank.

The directors consider that they will be able to operate with the current facility, however, inherently there can be no certainty in these matters. On this basis, together with the reasons set out in the strategic report, the directors consider it is appropriate to prepare the financial statements on a going concern basis.

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

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Nijjar Group Holdings (Acton) Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- a) No cash flow statement has been presented for the company.
- b) Disclosures in respect of financial instruments have not been presented.

Nijjar Dairies Limited

Notes to the Financial Statements *(continued)*

Period Ended 2nd January 2021

3. Significant accounting policies *(continued)*

Going Concern

The Directors have adopted the going concern basis in preparing these accounts after assessing the principal risks but there can be no certainty in the matter. The Directors have considered the impact of the current Covid-19 environment on the business for the next 12 months. The planning was difficult in the current climate so the directors have considered the impact of Covid-19 on business sales, customers and suppliers. The directors of the company took various measures and decided to furlough staff where necessary and carried out a comprehensive review of all costs impacting the business making cost reductions in areas. The Directors engaged with the leasing companies and renegotiated term timetables to provide NDL with 3 to 4 months of payment holidays. The Directors believe that the group and company will move towards breakeven over the next 12 months and anticipate a recovery in the following years.

As stated in the strategic report, at the balance sheet date, the company had net current liabilities of £15,386,603. The company is a subsidiary of Nijjar Holdings and is reliant on the continuing support of the group companies headed by Nijjar Group Holdings (Acton) Ltd, ultimate holding company of the group. The company is also relying on continuing financial support from the bank with regards to their facility. The Directors have prepared forecasts and projections taking the above factors taken into consideration and concluded that the group will have sufficient resources to meet its financial obligations as they fall due for the period at least 12 months from the signing of these financial statements. A letter of support from the holding company and two fellow subsidiaries has been given for continued financial support to the company for the next 12 months.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised costs using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Judgements and key sources of estimation uncertainty

The judgements made by management during the current period are based on a long-term understanding of the market they operate in and based on how the business has been conducted historically. The revenue recognition, deferred tax and impairment policies below are key sources of estimation uncertainty.

Nijjar Dairies Limited

Notes to the Financial Statements *(continued)*

Period Ended 2nd January 2021

3. Significant accounting policies *(continued)*

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. At the period end there is a timing difference between sales of goods and retrospective discounts. Therefore, an estimation is made based upon the quantity of sales made in the lead up to the period end and an estimation of the likely discounts to be forthcoming against these sales. At 2nd January 2021, the accrual included within trade debtors for retro promotions was £789,310 (2019 - £1,931,363).

Government grant

The HMRC Job Retention Scheme grants are recognised at the fair value of the asset received or receivable and shown as other taxable income. Grants are recognised using the accrual model. 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.

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.

Taxation

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences.

Nijjar Dairies Limited

Notes to the Financial Statements *(continued)*

Period Ended 2nd January 2021

3. Significant accounting policies *(continued)*

Goodwill and patents

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 10 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Hived up goodwill is calculated as the difference between the consideration paid and the identifiable net assets.

The policy for patents is the same as the policy for goodwill above.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	Straight line over 10 years
Patents	-	Straight line over 10 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Nijjar Dairies Limited

Notes to the Financial Statements *(continued)*

Period Ended 2nd January 2021

3. Significant accounting policies *(continued)*

Depreciation

Leasehold Property	- Over life of lease
Plant & Machinery	- 15% reducing balance
Fixtures & Fittings	- 15% reducing balance
Motor Vehicles	- 25% Reducing balance and 20% Straight line
Computer Equipment & Software	- 33% straight line

Motor vehicles are depreciated over 5 years on a straight-line basis if acquired from the start of 2016.

Milk trolleys and other short life assets are also included within Computer Equipment & Software.

Investments

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

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the subsidiary company arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units. No impairment change was required during the current or previous period.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Nijjar Dairies Limited

Notes to the Financial Statements *(continued)*

Period Ended 2nd January 2021

3. Significant accounting policies *(continued)*

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position 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.

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 statement of financial position 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.

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.

Nijjar Dairies Limited

Notes to the Financial Statements *(continued)*

Period Ended 2nd January 2021

4. Turnover

Turnover arises from:

	Period from 29 Dec 19 to 2 Jan 21 £	Period from 1 Jan 19 to 28 Dec 19 £
Sale of goods	<u>213,316,720</u>	<u>213,557,612</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

	Period from 29 Dec 19 to 2 Jan 21 £	Period from 1 Jan 19 to 28 Dec 19 £
Management charges receivable	75,000	75,000
Other operating income	<u>3,491,621</u>	<u>3,124,200</u>
	<u>(3,566,621)</u>	<u>(3,199,200)</u>

Other operating income includes £3,404,800 (2019 - £3,112,200) relating to the rental of motor vehicles to a company that provides distribution services and a fellow subsidiary of the group.

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	Period from 29 Dec 19 to 2 Jan 21 £	Period from 1 Jan 19 to 28 Dec 19 £
Amortisation of intangible assets	108,865	147,603
Depreciation of tangible assets	2,424,355	2,144,634
Loss/(gains) on disposal of tangible assets	51,948	(3,146,890)
Impairment of investments	1,440,000	–
Impairment of trade debtors	119,554	486,489
Operating lease rentals	<u>497,862</u>	<u>505,775</u>

See note 30 for gains on disposal of tangible assets during 2019 and note 14 for impaired investment of shares acquired in companies during the period.

Nijjar Dairies Limited

Notes to the Financial Statements *(continued)*

Period Ended 2nd January 2021

7. Auditor's remuneration

	Period from 29 Dec 19 to 2 Jan 21	Period from 1 Jan 19 to 28 Dec 19
	£	£
Fees payable for the audit of the financial statements	<u>24,000</u>	<u>24,000</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	4,000	4,000
Other non-audit services	<u>18,000</u>	<u>18,000</u>
	<u>22,000</u>	<u>22,000</u>

The auditor's remuneration for group associates is not disclosed as this information is shown in consolidated accounts.

8. Particulars of employees

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

	2 Jan 21 No.	28 Dec 19 No.
Distribution staff	194	201
Administrative staff	60	70
Management staff	<u>3</u>	<u>3</u>
	<u>257</u>	<u>274</u>

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

	Period from 29 Dec 19 to 2 Jan 21	Period from 1 Jan 19 to 28 Dec 19
	£	£
Wages and salaries	8,101,187	8,163,307
Social security costs	661,973	722,580
Other pension costs	<u>162,508</u>	<u>130,906</u>
	<u>8,925,668</u>	<u>9,016,793</u>

Nijjar Dairies Limited

Notes to the Financial Statements *(continued)*

Period Ended 2nd January 2021

8. Particulars of employees *(continued)*

Other pension costs include Directors' defined contribution pension plans of Nil (2019 - £1,188) shown below in note 9. There is no share option scheme operated by the company for its employees or directors.

9. Directors' remuneration

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

	Period from 29 Dec 19 to 2 Jan 21	Period from 1 Jan 19 to 28 Dec 19
	£	£
Remuneration	43,515	81,496
Company contributions to defined contribution pension plans	—	1,188
	<u>43,515</u>	<u>82,684</u>

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

	2 Jan 21 No.	28 Dec 19 No.
Defined contribution plans	<u>—</u>	<u>1</u>

10. Interest payable

	Period from 29 Dec 19 to 2 Jan 21	Period from 1 Jan 19 to 28 Dec 19
	£	£
Interest on banks loans and overdrafts	466,825	542,706
Interest on obligations under finance leases and hire purchase contracts	204,204	213,970
Other interest payable and similar charges	140,548	—
	<u>810,643</u>	<u>756,676</u>

Other interest relates to discounting interest on other creditors amounts due later than 1 year.

Nijjar Dairies Limited

Notes to the Financial Statements *(continued)*

Period Ended 2nd January 2021

11. Taxation on ordinary activities

Major components of tax income

	Period from 29 Dec 19 to 2 Jan 21 £	Period from 1 Jan 19 to 28 Dec 19 £
Current tax:		
UK current tax income	(623,104)	—
Adjustments in respect of prior periods	<u>56,736</u>	<u>—</u>
Total current tax	<u>(566,368)</u>	<u>—</u>
Deferred tax:		
Origination and reversal of timing differences	<u>(71,328)</u>	<u>(263,715)</u>
Taxation on ordinary activities	<u>(637,696)</u>	<u>(263,715)</u>

Reconciliation of tax income

The tax assessed on the (loss)/profit on ordinary activities for the period is higher than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	Period from 29 Dec 19 to 2 Jan 21 £	Period from 1 Jan 19 to 28 Dec 19 £
(Loss)/profit on ordinary activities before taxation	<u>(5,986,118)</u>	<u>433,782</u>
(Loss)/profit on ordinary activities by rate of tax	(1,129,585)	82,419
Adjustment to tax charge in respect of prior periods	56,736	—
Effect of expenses not deductible for tax purposes	461,742	81,411
Effect of capital allowances and depreciation	17,701	265,243
Utilisation of tax losses	(2,280)	(429,073)
Unused tax losses	88,317	—
Utilisation of group relief	(58,999)	—
Deferred Tax movement	<u>(71,328)</u>	<u>(263,715)</u>
Tax on (loss)/profit	<u>(637,696)</u>	<u>(263,715)</u>

Nijjar Dairies Limited

Notes to the Financial Statements *(continued)*

Period Ended 2nd January 2021

12. Intangible assets

	Goodwill and licences	Patents, trademarks	Total
	£	£	£
Cost			
At 29th December 2019	2,704,096	2,391	2,706,487
Additions	46,206	5,500	51,706
At 2nd January 2021	<u>2,750,302</u>	<u>7,891</u>	<u>2,758,193</u>
Amortisation			
At 29th December 2019	2,151,893	2,391	2,154,284
Charge for the period	108,406	459	108,865
At 2nd January 2021	<u>2,260,299</u>	<u>2,850</u>	<u>2,263,149</u>
Carrying amount			
At 2nd January 2021	<u>490,003</u>	<u>5,041</u>	<u>495,044</u>
At 28th December 2019	<u>552,203</u>	<u>–</u>	<u>552,203</u>

13. Tangible assets

	Short leasehold property	Plant and machinery	Fixtures and fittings	Motor vehicles	Computer equipment	Total
	£	£	£	£	£	£
Cost						
At 29 Dec 2019	551,507	170,346	520,935	12,652,030	973,634	14,868,452
Additions	–	32,880	8,370	55,249	360,080	456,579
Disposals	–	–	–	(359,854)	–	(359,854)
At 2 Jan 2021	<u>551,507</u>	<u>203,226</u>	<u>529,305</u>	<u>12,347,425</u>	<u>1,333,714</u>	<u>14,965,177</u>
Depreciation						
At 29 Dec 2019	508,174	78,167	163,330	5,525,299	464,784	6,739,754
Charge for the period	5,000	16,372	54,373	1,961,798	386,812	2,424,355
Disposals	–	–	–	(287,023)	–	(287,023)
At 2 Jan 2021	<u>513,174</u>	<u>94,539</u>	<u>217,703</u>	<u>7,200,074</u>	<u>851,596</u>	<u>8,877,086</u>
Carrying amount						
At 2 Jan 2021	<u>38,333</u>	<u>108,687</u>	<u>311,602</u>	<u>5,147,351</u>	<u>482,118</u>	<u>6,088,091</u>
At 28 Dec 2019	<u>43,333</u>	<u>92,179</u>	<u>357,605</u>	<u>7,126,731</u>	<u>508,850</u>	<u>8,128,698</u>

Nijjar Dairies Limited

Notes to the Financial Statements *(continued)*

Period Ended 2nd January 2021

13. Tangible assets *(continued)*

Hire Purchase Agreements

Included within the net book value of motor vehicles is £3,580,931 (2019 - £5,629,060) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect to such assets amounted to £1,331,677 (2019 - £1,198,338)

14. Investments

	Other investments other than loans £
Cost	
At 29th December 2019	—
Additions	<u>6,814,811</u>
At 2nd January 2021	<u>6,814,811</u>
Impairment	
At 29th December 2019	—
Impairment losses	<u>1,440,000</u>
At 2nd January 2021	<u>1,440,000</u>
Carrying amount	
At 2nd January 2021	<u>5,374,041</u>
At 28th December 2019	<u>—</u>

Nijjar Dairies Limited

Notes to the Financial Statements *(continued)*

Period Ended 2nd January 2021

14. Investments *(continued)*

The investments relate to ordinary shares acquired in three subsidiaries.

	TCDCL 100%	MCDCL 50%	TCDCLL 50%	Total
	£	£	£	£
Additions	5,536k	992k	287k	6,815k

Name and principal activity of each company

The Capital Dairy Company Ltd (TCDCL) - Retail of milk and bread distribution

Medina Capital Dairy Company Ltd (MCDCL) - Retail of milk and bread distribution

The Capital Dairy Company Lincolnshire Ltd (TCDCLL) - Retail of milk and bread distribution

The registered office address for all of the above companies is the same as their parent company, Nijjar Dairies Ltd.

15. Stocks

	2 Jan 21	28 Dec 19
	£	£
Goods for resale	487,666	395,841
Consumables	139,774	151,402
	<u>627,440</u>	<u>547,243</u>

The consumables figure relates to stocks for motor parts and fuel.

16. Debtors

	2 Jan 21	28 Dec 19
	£	£
Trade debtors	22,546,155	30,888,305
Amounts owed by group undertakings	1,297,126	4,665,556
Prepayments and accrued income	517,616	889,779
Other debtors	906,838	903,704
	<u>25,267,735</u>	<u>37,347,344</u>

Nijjar Dairies Limited

Notes to the Financial Statements *(continued)*

Period Ended 2nd January 2021

17. Creditors: amounts falling due within one year

	2 Jan 21	28 Dec 19
	£	£
Bank loans and overdrafts	16,593,786	19,504,039
Trade creditors	4,340,058	8,091,373
Amounts owed to group undertakings	14,906,580	15,759,425
Accruals and deferred income	1,089,392	1,712,875
Corporation tax	25,445	138,690
Social security and other taxes	1,206,407	208,237
Obligations under finance leases and hire purchase contracts	2,046,972	2,334,134
Director loan accounts	54,305	7,495
Other creditors	1,447,623	207,301
	<u>41,710,568</u>	<u>47,963,569</u>

The bank overdraft is secured by an unscheduled mortgage debenture incorporating a fixed and floating charge over all current and future assets of the company, along with cross group guarantees.

Borrowing of £12,132,833 (2019 - £18,648,950) included within bank overdrafts is secured on trade debts of the company of £5,288,000 (2019 - £6,581,000).

Other creditors include the following:

A balance of £1,109,159 (2019 - Nil) for the deferred consideration of the purchase of shares in three companies acquired during the period. See note 14 for more details.

A balance of £181,640 (2019 - £176,291) which relates to an amount borrowed from Nijjar Dairies Ltd Retirement Benefit Scheme (NDLRBS) and is secured on the directors' and scheme trustees' personal property.

A balance of £8,590 (2019 - £11,275) for pension liability owed to the scheme administrators.

18. Creditors: amounts falling due after more than one year

	2 Jan 21	28 Dec 19
	£	£
Obligations under finance leases and hire purchase contracts	2,094,737	3,576,607
Other creditors	5,065,207	512,871
	<u>7,159,944</u>	<u>4,089,478</u>

Nijjar Dairies Limited

Notes to the Financial Statements *(continued)*

Period Ended 2nd January 2021

18. Creditors: amounts falling due after more than one year *(continued)*

Other creditors are made up of the following:

A balance of £331,231 (2019 - £512,871) which relates to the amount borrowed from NDLRBS and is secured on the directors' and scheme trustees' personal property.

A balance of £4,733,976 (2019 - Nil) for the deferred consideration of the purchase of shares in three companies acquired during the period. Included is an amount of £2,074,639 due after more than 5 years.

The other creditors balance for the deferred consideration is secured by a second charge on personal shares of the directors (company is not part of the group with NDL).

19. Finance leases and hire purchase contracts

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

	02 Jan 21	28 Dec 19
	£	£
Not later than 1 year	2,046,972	2,334,134
Later than 1 year and not later than 5 years	2,094,737	3,576,607
	<u>4,141,709</u>	<u>5,910,741</u>

20. Provisions

	Deferred tax (note 21) £
At 29th December 2019	(608,344)
Deferred Tax movements	(71,328)
At 2nd January 2021	<u>(679,672)</u>

21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2 Jan 21	28 Dec 19
	£	£
Included in provisions (note 20)	<u>(679,672)</u>	<u>(608,344)</u>

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

	2 Jan 21	28 Dec 19
	£	£
Accelerated capital allowances	<u>(679,672)</u>	<u>(608,344)</u>

Nijjar Dairies Limited

Notes to the Financial Statements *(continued)*

Period Ended 2nd January 2021

22. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £162,508 (2019: £129,718).

23. Called up share capital

Authorised share capital

	2 Jan 21		28 Dec 19	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

Issued, called up and fully paid

	2 Jan 21		28 Dec 19	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2,234</u>	<u>2,234</u>	<u>2,234</u>	<u>2,234</u>

Ordinary authorised shares are made up of 500,000 A & B shares each.

Issued Ordinary share capital broken into ordinary A & B shares of £1,117. Both A & B shareholders can appoint an equal number of directors.

24. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

25. Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2 Jan 21	28 Dec 19
	£	£
Not later than 1 year	178,686	180,102
Later than 1 year and not later than 5 years	20,813	630,191
Later than 5 years	<u>4,868,934</u>	<u>6,310,057</u>
	<u>5,068,433</u>	<u>7,120,350</u>

Nijjar Dairies Limited

Notes to the Financial Statements *(continued)*

Period Ended 2nd January 2021

26. Contingent liabilities

At the period end date, the company have a maximum commitment of Nil (2019 - £1.15m) based on a cross group bank guarantee shown in note 3 on page 19.

27. Directors' advances, credits and guarantees

	2020	2019
	£	£
Balance B/Fwd	7,495	(513,161)
Receipts	621,169	874,480
Payments	(574,359)	(353,824)
	<hr/>	<hr/>
Balance C/Fwd	54,305	7,495
	<hr/>	<hr/>

The maximum amount overdrawn during the year was £560,242 (2019 - £764,271) There was no interest charged on the overdrawn director loan account balance by the company.

28. Related Party Transactions

The directors are key management personnel of the company.

Exemption has been taken in respect of related party disclosure of group transactions on the grounds that details of the wholly owned subsidiaries are included in the publicly available consolidated accounts.

The following related party transactions took place during the period with companies other than the wholly owned subsidiaries of NHL (parent company of NDL). The following transactions took place between NDL and their 50% owned subsidiaries acquired during the year:

	2020	2019
	£	£
Sales made to companies	5,443,794	Nil
Purchases made from companies	3,984,571	Nil
Expenses recharged to companies	3,206,966	Nil

Related party balances at year end were:

Trade creditors owed to companies	3,234,448	Nil
Trade debtors owed by companies	235,436	Nil
Amount due from companies	2,261,937	Nil

These companies were acquired during the period so comparative figures have not been given. Details of the investments are shown in note 14.

Nijjar Dairies Limited

Notes to the Financial Statements (continued)

Period Ended 2nd January 2021

28. Related Party Transactions (continued)

Some of the directors and members of the Nijjar Family are trustees in a retirement benefit scheme. Rent charged to Nijjar Dairies Limited (NDL) by the scheme during the year was £336,701 (2019 - £318,595)

NDL owed £512,871 (2019 - £689,162) to the scheme for a loan.

A company with common directors charged NDL for management services during the year £749,000 (2019 - £567,000)

Nijjar group has a cross group bank overdraft facility (details of group facility on page 19 and the contingent liability note).

The non-executive director of the group is a director of another company. During the period, the company charged NDL for business services:

2020	2019
£	£
111,792	60,600

29. Controlling party

Nijjar Holdings Ltd is the immediate parent company and Nijjar Group Holdings (Acton) Limited (both companies incorporated in England & Wales) is the ultimate parent undertaking of NDL. Copies of the group financial statements can be obtained from the Companies House website. The registered office address of the immediate and ultimate holding companies is as follows: 16 Eastman Road, The Vale, Acton, London, W3 7YG.

30. Administrative expense

Included within the administrative expense of 2019 is a gain relating to the sale of the retail cream business. NDL is still supplying cream on a wholesale basis at market value plus a premium for guaranteed supply to the buyer. A figure of £3,500,000 was paid to NDL as proceeds based on a 5year contract with the buyer. There were costs of £113,284 associated with this sale that have been offset against the proceeds.

31. Accounting period

Due to the nature of business of the subsidiary companies of the group, business is conducted on a weekly basis. The accounts of Nijjar Dairies Limited and other group companies have been prepared to 02nd January 2021, the last Saturday of the period. The previous year was prepared up until 28th December 2019.

Nijjar Dairies Limited

Notes to the Financial Statements *(continued)*

Period Ended 2nd January 2021

32. Liability limitation agreement

The company entered into a liability limitation agreement on 1st October 2020. The agreement states that an amount will be owed by the auditor to the company in respect of any negligence, default, breach of duty or breach of trust, occurring in the course of the audit of accounts, of which the auditor may be guilty in relation to the company up to the limit of £1.5 million.

33. Post balance sheet

Merger negotiations are being conducted between Nijjar Group's milk processing and distributing companies (including NDL) and Medina Holdings Ltd and its subsidiaries. The merger is currently under review by the Competition and Markets Authority (CMA) to seek clearance to proceed. However, the outcome cannot be reliably predicted.