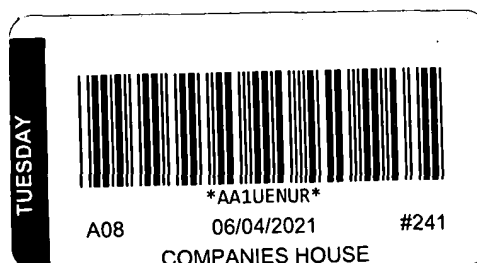


Registered number: 02938070

MAINSTREAM INTERNATIONAL FOODS LIMITED

Annual report and financial statements

For the 15 month period ended 30 June 2020



MAINSTREAM INTERNATIONAL FOODS LIMITED

Company Information

Directors	M T Pick P Broadbent
Registered number	02938070
Registered office	St Peter's Buildings Stonebroom Estate Stonebroom Alfreton Derbyshire DE55 6LQ
Independent auditors	Smith Cooper Audit Limited Chartered Accountants and Statutory Auditors St Helen's House King Street Derby DE1 3EE

MAINSTREAM INTERNATIONAL FOODS LIMITED

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MAINSTREAM INTERNATIONAL FOODS LIMITED

Strategic report For the 15 month period ended 30 June 2020

Introduction

The principal activity of the Company is that of a wholesale meat supplier.

Business review

Within this report the directors aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the period end. Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face.

The current year end has been extended to a 15 month period ended June 2020. The Company operates in an extremely competitive industry and profit margins are traditionally very thin. The longer period has allowed for the increase in turnover as this offset the reduced sales from the impact of the lockdown due to COVID-19.

Principal risks and uncertainties

Considering the risks and uncertainties the Company has identified, we are aware that any plans for the future development of the business may be subject to unforeseen events outside our control. This is an activity which the directors continually consider for the best future benefit of the Company.

COVID-19

In the first half of the year of 2020 we have experienced diminished demand as a result of COVID-19. Whilst these COVID-19 related impacts, have not in the aggregate, had a material adverse impact on the Company to date, we are unable to predict the extent or duration of these impacts as they depend on future developments, which are highly uncertain and cannot be predicted at this time. As a result of COVID-19 the Company has looked at new ways of selling to the public which have achieved greater margins and offset some of the lost turnover.

Financial key performance indicators

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the Company as a whole. Turnover has increased to £13.5m from £12.3m due to a 15 month accounting period. The extended period countered the reduction in turnover due to COVID 19. We have been able to maintain the gross margin at 20.2% by focusing on incresig sales made directly to the public during lockdown. EBITDA has also remained at a reasonable level of £334k compared to £463k during 2019 and operating cash flows have remained positive.

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



.....
M T Pick
Director
Date: 30 March 2021

MAINSTREAM INTERNATIONAL FOODS LIMITED

Directors' report

For the period ended 30 June 2020

The directors present their report and the financial statements for the period ended 30 June 2020.

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 judgments 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.

Results and dividends

The profit for the period, after taxation, amounted to £129,988 (2019 - £293,715).

The directors recommend payment of dividends of £290,000 (2019 - £290,000).

Directors

The directors who served during the period were:

M T Pick
P Broadbent

Future developments

There are no future developments that the directors believe require disclosure within the financial statements.

Financial instruments

The Company operations expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risk and liquidity risk. The Company has a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and related finance costs. The Company has implemented policies that require appropriate credit checks before a sale is made.

MAINSTREAM INTERNATIONAL FOODS LIMITED

Directors' report (continued) For the period ended 30 June 2020

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 with the exception of COVID-19 which has been discussed in the strategic report.

Auditors

Under section 487(2) of the Companies Act 2006, Smith Cooper Audit Limited will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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



.....
M T Pick
Director
Date: 30 March 2021

MAINSTREAM INTERNATIONAL FOODS LIMITED

Independent auditors' report to the members of Mainstream International Foods Limited

Opinion

We have audited the financial statements of Mainstream International Foods Limited (the 'Company') for the period ended 30 June 2020, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity 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 30 June 2020 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

MAINSTREAM INTERNATIONAL FOODS LIMITED

Independent auditors' report to the members of Mainstream International Foods Limited (continued)

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 on page 2, 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.

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.

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.

MAINSTREAM INTERNATIONAL FOODS LIMITED

Independent auditors' report to the members of Mainstream International Foods Limited (continued)

Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.

Smith Cooper Audit Limited

James Delve (Senior statutory auditor)
for and on behalf of
Smith Cooper Audit Limited
Chartered Accountants and Statutory Auditors
St Helen's House
King Street
Derby
DE1 3EE

1 April 2021

MAINSTREAM INTERNATIONAL FOODS LIMITED

Statement of comprehensive income **For the 15 month period ended 30 June 2020**

		15 months ended 30 June 2020	Year ended 31 March 2019
	Note	£	£
Turnover	4	13,501,021	12,327,503
Cost of sales		(10,828,011)	(9,836,182)
Gross profit		2,673,010	2,491,321
Administrative expenses		(2,598,957)	(2,115,032)
Other operating income	5	98,137	-
Operating profit	6	172,190	376,289
Interest receivable and similar income		4	-
Interest payable and expenses	11	(14,539)	(10,522)
Profit before tax		157,655	365,767
Tax on profit	12	(27,667)	(72,052)
Profit for the financial period		129,988	293,715

There was no other comprehensive income for 2020 (2019:£NIL).


The notes on pages 13 to 25 form part of these financial statements.

MAINSTREAM INTERNATIONAL FOODS LIMITED
Registered number: 02938070

Balance sheet
As at 30 June 2020

	Note	30 June 2020 £	31 March 2019 £
Fixed assets			
Tangible assets	14	721,344	738,984
Current assets			
Stocks	15	258,337	426,294
Debtors: amounts falling due within one year	16	629,523	1,010,369
Cash at bank and in hand	17	5,106	11,882
		<u>892,966</u>	<u>1,448,545</u>
Creditors: amounts falling due within one year	18	(572,377)	(994,226)
Net current assets		<u>320,589</u>	<u>454,319</u>
Total assets less current liabilities		<u>1,041,933</u>	<u>1,193,303</u>
Creditors: amounts falling due after more than one year	19	(66,383)	(52,281)
Provisions for liabilities			
Deferred tax	21	(67,373)	(72,833)
Net assets		<u>908,177</u>	<u>1,068,189</u>
Capital and reserves			
Called up share capital	22	100	100
Profit and loss account	23	908,077	1,068,089
		<u>908,177</u>	<u>1,068,189</u>

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


.....
M T Pick
Director
Date: 30 March 2021

The notes on pages 13 to 25 form part of these financial statements.

MAINSTREAM INTERNATIONAL FOODS LIMITED

Statement of changes in equity For the period ended 30 June 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2019	100	1,068,089	1,068,189
Comprehensive income for the period			
Profit for the 15 month period	-	129,988	129,988
Total comprehensive income for the period	-	129,988	129,988
Dividends: Equity capital	-	(290,000)	(290,000)
Total transactions with owners	-	(290,000)	(290,000)
At 30 June 2020	100	908,077	908,177

The notes on pages 13 to 25 form part of these financial statements.

Statement of changes in equity For the period ended 31 March 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 March 2018	100	1,064,374	1,064,474
Comprehensive income for the period			
Profit for the year	-	293,715	293,715
Total comprehensive income for the period	-	293,715	293,715
Dividends: Equity capital	-	(290,000)	(290,000)
Total transactions with owners	-	(290,000)	(290,000)
At 31 March 2019	100	1,068,089	1,068,189

The notes on pages 13 to 25 form part of these financial statements.

MAINSTREAM INTERNATIONAL FOODS LIMITED

Statement of cash flows **For the period ended 30 June 2020**

	30 June 2020 £	31 March 2019 £
Cash flows from operating activities		
Profit for the financial period	129,988	293,715
Adjustments for:		
Depreciation of tangible assets	123,458	75,641
Loss on disposal of tangible assets	2,300	10,424
Interest paid	14,539	10,522
Interest received	(4)	-
Taxation charge	27,667	72,052
Decrease/(increase) in stocks	167,956	(37,993)
Decrease in debtors	380,846	135,442
(Decrease) in creditors	(387,003)	(26,670)
Corporation tax (paid)/received	(106,700)	9,945
Net cash generated from operating activities	<u>353,047</u>	<u>543,078</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(112,617)	(26,390)
Sale of tangible fixed assets	4,500	9,600
Interest received	4	-
HP interest paid	(5,896)	(4,813)
Net cash from investing activities	<u>(114,009)</u>	<u>(21,603)</u>

MAINSTREAM INTERNATIONAL FOODS LIMITED**Statement of cash flows (continued)**
For the period ended 30 June 2020

	30 June 2020 £	31 March 2019 £
Cash flows from financing activities		
Repayment of/new finance leases	11	(103,521)
Dividends paid	(290,000)	(290,000)
Interest paid	(8,643)	(5,709)
Net cash used in financing activities	(298,632)	(399,230)
Net (decrease)/increase in cash and cash equivalents	(59,594)	122,245
Cash and cash equivalents at beginning of period	(115,182)	(237,427)
Cash and cash equivalents at the end of period	(174,776)	(115,182)
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	5,106	11,882
Bank overdrafts	(179,882)	(127,064)
	(174,776)	(115,182)

The notes on pages 13 to 25 form part of these financial statements.

MAINSTREAM INTERNATIONAL FOODS LIMITED

Analysis of Net Debt For the period ended 30 June 2020

	At 1 April 2019 £	Cash flows £	New finance leases £	At 30 June 2020 £
Cash at bank and in hand	11,882	(6,776)	-	5,106
Bank overdrafts	(127,064)	(52,818)	-	(179,882)
Finance leases	(136,714)	90,304	(90,315)	(136,725)
	<u>(251,896)</u>	<u>30,710</u>	<u>(90,315)</u>	<u>(311,501)</u>

The notes on pages 13 to 25 form part of these financial statements.

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the financial statements For the period ended 30 June 2020

1. General information

Mainstream International Foods Limited is a private company, limited by shares and incorporated in England in the United Kingdom. The address of the registered office is St Peter's Building, Stonebroom estate, Stonebroom, Derbyshire, United Kingdom, DE55 6LQ. The Company's registration number is 02938070.

The nature of the Company's operations and principal activities is that of wholesale meat suppliers.

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 judgment in applying the Company's accounting policies (see note 3).

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

The following principal accounting policies have been applied:

2.2 Going concern

The COVID 19 pandemic has developed rapidly in 2020 with a significant number of measures taken by various governments to contain the virus which have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID 19 such as health and safety measures for our staff (including social distancing) and securing the supply of materials that are essential to our production process.

At this stage, the impact on our business and results is not in the aggregate material and based on our experience to date we expect this to remain the case. As we operate in one of the key industries, food, we have found minimal impact on demand for our products and expect this to continue. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

The Company has remained open and operating during the period but trading conditions and cash flow remain challenging. Net current assets have decreased to £368,309 (2019: £454,319), a similar movement has also occurred with the net assets position £937,213 (2019: £1,068,189). The directors have reviewed the financial requirements for a period of 12 months from the date of authorising the financial statements and consider there to be adequate financial resources.

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the financial statements For the period ended 30 June 2020

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Turnover is recognised on dispatch of goods.

2.4 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 comprehensive income in the same period as the related expenditure.

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Comprehensive income in the same period as the related expenditure. Grants received in the current period relate to furlough receipts.

2.5 Interest income

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

2.6 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.

2.7 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 Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the financial statements For the period ended 30 June 2020

2. Accounting policies (continued)

2.8 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 balance sheet 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 Balance sheet 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 balance sheet date.

2.9 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives. Land held by the Company is not depreciated.

Depreciation is provided on the following basis:

Freehold property	- Straight line over 50 years
Plant and machinery	- 10%-33% reducing balance or straight line

2.10 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 balance sheet 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.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment.

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the financial statements For the period ended 30 June 2020

2. Accounting policies (continued)

2.12 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.

2.13 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.

2.14 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.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

There are no significant accounting judgments leading to material estimation uncertainty that require disclosure.

4. Turnover

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

	15 months ended 30 June 2020 £	12 months ended 31 March 2019 £
Wholesale supply of meat	<u>13,501,021</u>	<u>12,327,503</u>

All turnover arose within the United Kingdom.

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the financial statements **For the period ended 30 June 2020**

5. Other operating income

	15 months ended 30 June 2020 £	12 months ended 31 March 2019 £
Government grants receivable	98,137	-

6. Operating profit

The operating profit is stated after charging:

	15 months ended 30 June 2020 £	12 months ended 31 March 2019 £
Depreciation of tangible fixed assets	123,458	76,531
Defined contribution pension cost	55,446	30,301

7. Auditors' remuneration

	15 months ended 30 June 2020 £	12 months ended 31 March 2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	10,000	9,750

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the financial statements **For the period ended 30 June 2020**

8. Employees

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

	15 months ended 30 June 2020 £	12 months ended 31 March 2019 £
Wages and salaries	1,548,943	1,253,502
Social security costs	126,503	104,554
Cost of defined contribution scheme	55,446	30,301
	<u>1,730,892</u>	<u>1,388,357</u>

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

	15 months ended 30 June 2020 No.	12 month ended 31 March 2019 No.
Production staff	49	49
Administration and leadership	8	8
	<u>57</u>	<u>57</u>

9. Directors' remuneration

	15 months ended 30 June 2020 £	12 months ended 31 March 2019 £
Directors' emoluments	16,653	21,631
Company contributions to defined contribution pension schemes	10,100	11,800
	<u>26,753</u>	<u>33,431</u>

During the period retirement benefits were accruing to 2 directors (2019 - 3) in respect of defined contribution pension schemes.

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the financial statements **For the period ended 30 June 2020**

10. Interest receivable

	15 months ended 30 June 2020 £	12 months ended 31 March 2019 £
Other interest receivable	4	-

11. Interest payable and similar expenses

	15 months ended 30 June 2020 £	12 months ended 31 March 2019 £
Other loan interest payable	8,643	5,709
Finance leases and hire purchase contracts	5,896	4,813
	14,539	10,522

12. Taxation

	15 months ended 30 June 2020 £	12 months ended 31 March 2019 £
Corporation tax		
Current tax on profits for the year	33,127	66,696
Total current tax	33,127	66,696
Deferred tax		
Origination and reversal of timing differences	(780)	5,356
Adjustment to deferred tax in respect of prior periods	(4,680)	-
Total deferred tax	(5,460)	5,356
Taxation on profit on ordinary activities	27,667	72,052

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the financial statements For the period ended 30 June 2020

12. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	15 months ended 30 June 2020 £	12 months ended 31 March 2019 £
Profit on ordinary activities before tax	157,655	365,767
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	29,954	69,496
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,393	2,556
Adjustments to deferred tax in respect of prior periods	(4,680)	-
Total tax charge for the period	27,667	72,052

Factors that may affect future tax charges

There are no factors which might affect future tax charges

13. Dividends

	15 months ended 30 June 2020 £	12 months ended 31 March 2019 £
Dividends	290,000	290,000

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the financial statements **For the period ended 30 June 2020**

14. Tangible fixed assets

	Freehold property £	Plant and machinery and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2019	630,300	993,819	-	1,624,119
Additions	-	112,617	-	112,617
Disposals	-	(12,000)	-	(12,000)
At 30 June 2020	<u>630,300</u>	<u>1,094,436</u>	<u>-</u>	<u>1,724,736</u>
Depreciation				
At 1 April 2019	250,019	635,116	-	885,135
Charge for the period on owned assets	13,531	108,736	(42,515)	79,752
Charge for the period on financed assets	-	1,190	42,515	43,705
Disposals	-	(5,200)	-	(5,200)
At 30 June 2020	<u>263,550</u>	<u>739,842</u>	<u>-</u>	<u>1,003,392</u>
Net book value				
At 30 June 2020	<u>366,750</u>	<u>354,594</u>	<u>-</u>	<u>721,344</u>
At 31 March 2019	<u>380,281</u>	<u>358,703</u>	<u>-</u>	<u>738,984</u>

The net book value of land and buildings may be further analysed as follows:

	30 June 2020 £	31 March 2019 £
Freehold	<u>366,750</u>	<u>380,281</u>

Included in freehold property is land with a cost price of £89,022 (2019: £89,022).

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the financial statements For the period ended 30 June 2020

14. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	30 June 2020 £	31 March 2019 £
Plant and machinery	13,090	24,137
Motor vehicles	171,319	159,468
	<u>184,409</u>	<u>183,605</u>

15. Stocks

	30 June 2020 £	31 March 2019 £
Finished goods and goods for resale	<u>258,337</u>	<u>426,294</u>

Stock recognised in cost of sales during the period as an expense was £10,768,695 (2019: £9,836,182).

16. Debtors

	30 June 2020 £	31 March 2019 £
Trade debtors	491,729	831,393
Other debtors	137,371	176,563
Prepayments and accrued income	423	2,413
	<u>629,523</u>	<u>1,010,369</u>

An impairment against trade debtors has been recognised totaling £36,908 (2019: £23,000).

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the financial statements **For the period ended 30 June 2020**

17. Cash and cash equivalents

	30 June 2020 £	31 March 2019 £
Cash at bank and in hand	5,106	11,882
Less: bank overdrafts	(179,882)	(127,064)
	<u>(174,776)</u>	<u>(115,182)</u>

18. Creditors: Amounts falling due within one year

	30 June 2020 £	31 March 2019 £
Bank overdrafts	179,882	127,064
Trade creditors	247,190	622,809
Corporation tax	33,123	106,696
Other taxation and social security	20,533	27,535
Obligations under finance lease and hire purchase contracts	70,342	84,433
Accruals and deferred income	21,307	25,689
	<u>572,377</u>	<u>994,226</u>

A fixed charge exists over the property and a floating charge over plant and machinery in relation to the overdraft.

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

	30 June 2020 £	31 March 2019 £
Net obligations under finance leases and hire purchase contracts	<u>66,383</u>	<u>52,281</u>

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the financial statements For the period ended 30 June 2020

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	30 June 2020 £	31 March 2019 £
Within one year	70,342	84,433
Between 1-5 years	85,067	39,954
Over 5 years	-	12,237
	<u>155,409</u>	<u>136,624</u>

The lease agreements are secured against the assets to which they relate.

21. Deferred taxation

	2020 £
At beginning of year	(72,833)
Credited to profit or loss	5,460
At end of year	<u>(67,373)</u>

The provision for deferred taxation is made up as follows:

	30 June 2020 £	31 March 2019 £
Accelerated capital allowances	<u>67,373</u>	<u>72,833</u>

22. Share capital

	30 June 2020 £	31 March 2019 £
Allotted, called up and fully paid		
100 (2019 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

23. Reserves

Profit and loss account

Profit and loss account - includes all current and prior period distributable retained profits and losses.

MAINSTREAM INTERNATIONAL FOODS LIMITED

Notes to the financial statements For the period ended 30 June 2020

24. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £55,446 (2019: £30,301). Contributions totalling £nil (2019: £Nil) were payable to the fund at the balance sheet date.

25. Commitments under operating leases

At 30 June 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	30 June 2020 £	31 March 2019 £
Not later than 1 year	14,048	18,255
Later than 1 year and not later than 5 years	7,582	16,191
	<u>21,630</u>	<u>34,446</u>

The total expense recognised during the year in relation to operating leases totaled £29,629 (2019: £20,335).

26. Transactions with directors

Included in other debtors is a loan to M Pick, a director and shareholder. The balance at the period end was £79,929 (2019: £102,319). The maximum outstanding balance during the period was £180,111 (2019: £247,319). Amounts withdrawn in total over the year £123,090 and monies repaid in total over the year £145,000. The loan is unsecured and repayable on demand with no interest to be charged.

Included in other debtors is a loan to P Broadbent, a director and shareholder. The balance at the period end was £28,295 (2019: £59,546). The maximum outstanding balance during the period was £156,899 (2019: £123,903). Amounts withdrawn in total over the year £113,749 and monies repaid in total over the year £145,000. The loan is unsecured and repayable on demand with no interest to be charged.

Included in other debtors is a loan to D Pick, a director for part of the year and a shareholder. The balance at the period end was £7,070 (2019: £7,070). The maximum outstanding balance during the period was £7,070 (2019: £7,070). Amounts withdrawn over the year total £- and monies repaid over the year total £-. The loan is unsecured and repayable on demand with no interest to be charged.

27. Related party transactions

During the year, total dividends of £290,000 (2019: £290,000) were paid to directors.

The directors do not consider there to be any key management personnel.

28. Controlling party

The controlling party is M Pick by virtue of his 99% holding in the issued ordinary share capital of the company.