

J.R. HOLLAND (FOOD SERVICES) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 APRIL 2022

J.R. HOLLAND (FOOD SERVICES) LIMITED

COMPANY INFORMATION

Directors	J Holland D Hutchinson H Fletcher P Marshall (appointed 28 March 2023)
Company secretary	H Fletcher
Registered number	03031294
Registered office	245 Dukesway Team Valley Trading Estate Gateshead Tyne & Wear NE11 0PZ
Independent auditors	Ryecroft Glenton Chartered Accountants & Statutory Auditors 32 Portland Terrace Newcastle upon Tyne NE2 1QP
Bankers	Santander UK plc Bridle Road Bootle L30 4GB

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STRATEGIC REPORT
FOR THE PERIOD ENDED 30 APRIL 2022

Review of the business and future developments

The directors are satisfied with the results for the period. The Company's financial and other performance indicators during the period were as follows:

	2022 (52 weeks) £'000	2021 (52 weeks) £'000	Change %
Turnover	12,830	7,219	77.7%
Gross Margin	4,118	2,320	77.5%
Operating Profit / (Loss)	99	(22)	550.0%
Gross Margin %	32.1%	32.1%	0.0%

The current period to date is in line with expectations given the significant impact that the COVID-19 pandemic has on the business.

Principal risks and uncertainties

The main risks associated with the Company's financial assets and liabilities are set out below. The Company does not undertake any hedging activity. Significant financial risks from a Company perspective are addressed on a case by case basis.

Competitive risk

Distribution in the UK is extremely challenging, with a constant pressure to move to a low cost environment. To that end it has, and will, continue to be very difficult to win new business costed for distribution in the UK. However, the Company continues to implement cost cutting measures whilst maintaining high standards in the market.

Credit risk

The Company's policy is aimed at minimising such losses, and requires that deferred terms are granted only to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures. Individual exposures and overdue debts are monitored with customers subject to credit limits to ensure that the Company's exposure to bad debts is not significant.

COVID-19 risk

The COVID-19 pandemic has had a significant impact on the Company. Continued worldwide restrictions have had an adverse impact on turnover and margins in the short term. The Company mitigated this by working closely with customers and suppliers throughout the period to ensure that the Company can continue to meet the demand for its products and minimise the risk of bad debts and potential impairment. The Company has also utilised UK government support schemes where relevant.

Due to a number of factors the Company continues to face a challenging trading environment at the period end, but it believes it has sufficient resources to meet these challenges.

This report was approved by the board on 2 June 2023 and signed on its behalf.

H Fletcher
Director

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 APRIL 2022**

The directors present their report and the financial statements for the period ended 30 April 2022.

Principal activity

The principal activity of the Company is the temperature controlled distribution of fresh fruit, vegetables and dairy products.

Directors

The directors who served during the period were:

J Holland
D Hutchinson
H Fletcher

Results and dividends

The profit for the period, after taxation, amounted to £57,783 (2021 - loss £22,761).

The directors recommended and paid a dividend during the period of £NIL (2021 - £NIL).

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Future developments

Since the period end the Company has continued to find the trading environment challenging as a result of inflation and ongoing developments in the energy market.

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 APRIL 2022

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.

Auditors

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

This report was approved by the board on 2 June 2023 and signed on its behalf.

H Fletcher
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF J.R. HOLLAND (FOOD SERVICES) LIMITED

Opinion

We have audited the financial statements of J.R. Holland (Food Services) Limited (the 'Company') for the period ended 30 April 2022, 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 April 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF J.R. HOLLAND (FOOD SERVICES) LIMITED (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF J.R. HOLLAND (FOOD SERVICES) LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the Company through discussions with directors and other management, and from our commercial knowledge and experience of the sector in which the

Company operates;

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, including the Companies Act 2006 and taxation legislation;

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

- we ensured that the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud; and

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF J.R. HOLLAND (FOOD SERVICES) LIMITED (CONTINUED)

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the Company's legal advisers where appropriate.

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

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

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Cameron (Senior Statutory Auditor)

for and on behalf of
Ryecroft Glenton

Chartered Accountants
Statutory Auditors

32 Portland Terrace
Newcastle upon Tyne
NE2 1QP

2 June 2023

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 APRIL 2022**

	Note	52 weeks ended 30 April 2022 £	52 weeks ended 1 May 2021 £
Turnover	4	12,830,141	7,219,461
Cost of sales		(8,712,013)	(4,899,457)
Gross profit		4,118,128	2,320,004
Distribution costs		(2,768,840)	(2,012,013)
Administrative expenses		(1,324,803)	(1,021,131)
Other operating income	5	74,247	690,997
Operating profit/(loss)	6	98,732	(22,143)
Interest receivable and similar income	9	5,070	5,580
Interest payable and similar expenses	10	(17,723)	(10,751)
Profit/(loss) before tax		86,079	(27,314)
Tax on profit/(loss)	11	(28,296)	4,553
Profit/(loss) for the financial period		57,783	(22,761)

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

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

The notes on pages 15 to 29 form part of these financial statements.

BALANCE SHEET
AS AT 30 APRIL 2022

	Note	30 April 2022 £	30 April 2022 £	1 May 2021 £	1 May 2021 £
Fixed assets					
Tangible assets	12		923,543		801,570
Investment property	13		150,000		150,000
			<u>1,073,543</u>		<u>951,570</u>
Current assets					
Stocks	14	299,105		167,508	
Debtors: amounts falling due after more than one year	15	163,625		184,675	
Debtors: amounts falling due within one year	15	3,188,273		2,377,411	
Cash at bank and in hand	16	67,335		503,745	
			<u>3,718,338</u>	<u>3,233,339</u>	
Creditors: amounts falling due within one year	17	(1,636,039)		(1,065,773)	
Net current assets			<u>2,082,299</u>		<u>2,167,566</u>
Total assets less current liabilities			<u>3,155,842</u>		<u>3,119,136</u>
Creditors: amounts falling due after more than one year	18		(358,336)		(407,709)
Provisions for liabilities					
Deferred tax	20	(116,951)		(88,655)	
			<u>(116,951)</u>		<u>(88,655)</u>
Net assets			<u><u>2,680,555</u></u>		<u><u>2,622,772</u></u>

BALANCE SHEET (CONTINUED)
AS AT 30 APRIL 2022

	Note	30 April 2022 £	30 April 2022 £	1 May 2021 £	1 May 2021 £
Capital and reserves					
Called up share capital	21		1,000		1,000
Profit and loss account	22		2,679,555		2,621,772
			<hr/> 2,680,555 <hr/>		<hr/> 2,622,772 <hr/>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 June 2023.

H Fletcher
Director

J Holland
Director

The notes on pages 15 to 29 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 APRIL 2022**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 May 2020	1,000	2,644,533	2,645,533
Loss for the period	-	(22,761)	(22,761)
At 2 May 2021	1,000	2,621,772	2,622,772
Profit for the period	-	57,783	57,783
At 30 April 2022	1,000	2,679,555	2,680,555

The notes on pages 15 to 29 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 APRIL 2022

	52 weeks ended 30 April 2022 £	52 weeks ended 1 May 2021 £
Cash flows from operating activities		
Profit/(loss) for the financial period	57,783	(22,761)
Adjustments for:		
Depreciation of tangible assets	357,018	254,594
Profit on disposal of tangible assets	-	(27,000)
Government grants	(45,892)	(660,284)
Interest paid	17,723	10,747
Interest received	(5,070)	(5,580)
Taxation charge	28,296	(4,553)
(Increase) in stocks	(131,597)	(23,434)
(Increase) in debtors	(800,892)	(198,590)
Increase in creditors	456,685	197,677
Corporation tax received/(paid)	11,065	(59,993)
Net cash generated from operating activities	(54,881)	(539,177)
Cash flows from investing activities		
Purchase of tangible fixed assets	(232,235)	(45,098)
Sale of tangible fixed assets	-	27,000
Government grants received	45,892	660,284
Interest received	5,070	5,580
HP interest paid	(17,722)	(10,750)
Net cash from investing activities	(198,995)	637,016

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 30 APRIL 2022

	30 April 2022 £	1 May 2021 £
Cash flows from financing activities		
Repayment of other loans	(246,756)	(503,800)
Movement in finance leases obligations	(52,060)	315,762
Net cash used in financing activities	(298,816)	(188,038)
Net (decrease) in cash and cash equivalents	(552,692)	(90,199)
Cash and cash equivalents at beginning of period	503,745	593,944
Cash and cash equivalents at the end of period	(48,947)	503,745
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	67,335	503,745
Bank overdrafts	(116,282)	-
	(48,947)	503,745

The notes on pages 15 to 29 form part of these financial statements.

**ANALYSIS OF NET DEBT
FOR THE PERIOD ENDED 30 APRIL 2022**

	At 2 May 2021	Cash flows	At 30 April
	£	£	2022
			£
Cash at bank and in hand	503,745	(436,410)	67,335
Bank overdrafts	-	(116,282)	(116,282)
Finance leases	(654,904)	52,075	(602,829)
	<u>(151,159)</u>	<u>(500,617)</u>	<u>(651,776)</u>

The notes on pages 15 to 29 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2022**

1. General information

J.R. Holland (Food Services) Limited is a private limited company, limited by shares, incorporated in England and Wales (no. 03031294). The Registered Office is 245 Dukesway, Team Valley Trading Estate, Gateshead, Tyne & Wear, NE11 0PZ. The principal activity of the Company is the temperature controlled distribution of fresh fruit, vegetables and dairy products.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are drawn up to the nearest Saturday to 30 April each year.

The financial statements are prepared in GBP sterling, rounded to the nearest £, which is the functional currency of the Company.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have considered the Company's current and future prospects and its availability of financing, and are satisfied that the Company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. For this reason the directors continue to adopt the going concern basis of preparation for these financial statements.

2.3 Revenue

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

Sale of goods

Revenue 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 revenue 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2022**

2. Accounting policies (continued)

2.4 Government grants

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

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2022**

2. Accounting policies (continued)

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, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- over 2 to 5 years
Motor vehicles	- over 3 to 5 years
Fixtures and fittings	- over 3 to 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Investment property

Investment property is carried at fair value determined annually. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.11 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.

2.12 Debtors

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2022**

2. Accounting policies (continued)

2.13 Cash and cash equivalents

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

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.14 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.

2.15 Provisions for liabilities

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

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

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.16 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.

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

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date, and the amounts reported for revenue and expenses during the period.

The following judgements and estimates can have a significant effect on the financial statements:

Discounts payable to customers

Provision for discounts payable to customers is made through the Statement of Comprehensive Income in the period that the associated sale occurs. Provisions are made in line with agreed discount rates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2022

4. Turnover

Turnover is attributable to one continuing activity, the temperature controlled distribution of fresh fruit, vegetables and dairy products.

All turnover arose within the United Kingdom.

5. Other operating income

	52 weeks ended 30 April 2022 £	52 weeks ended 1 May 2021 £
Net rents receivable	3,355	5,713
Government grants receivable	45,892	660,284
Sundry income	25,000	25,000
	<u>74,247</u>	<u>690,997</u>

6. Operating profit/(loss)

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

	52 weeks ended 30 April 2022 £	52 weeks ended 1 May 2021 £
Auditors' remuneration	12,000	11,000
Depreciation of owned fixed assets	46,504	30,328
Depreciation of assets held under finance leases and hire purchase contracts	310,514	224,266
Profit on disposal of tangible assets	-	(27,000)
Operating lease rentals - land and buildings	<u>91,874</u>	<u>81,300</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2022

7. Employees

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

	52 weeks ended 30 April 2022 £	52 weeks ended 1 May 2021 £
Wages and salaries	2,220,862	1,768,231
Social security costs	183,792	143,750
Cost of defined contribution scheme	38,673	28,032
	<u>2,443,327</u>	<u>1,940,013</u>

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

	52 weeks ended 30 April 2022 No.	52 weeks ended 1 May 2021 No.
Administration	15	13
Distribution	85	72
	<u>100</u>	<u>85</u>

8. Directors' remuneration

	52 weeks ended 30 April 2022 £	52 weeks ended 1 May 2021 £
Directors' emoluments	135,177	141,227
Company contributions to defined contribution pension schemes	5,616	5,616
	<u>140,793</u>	<u>146,843</u>

During the period retirement benefits were accruing to 2 directors (2021 - 2) in respect of defined contribution pension schemes.

The directors are considered to be the only key management personnel of the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2022

9. Interest receivable

	52 weeks ended 30 April 2022 £	52 weeks ended 1 May 2021 £
Interest receivable	5,070	5,580
	<u>5,070</u>	<u>5,580</u>

10. Interest payable and similar expenses

	52 weeks ended 30 April 2022 £	52 weeks ended 1 May 2021 £
Finance leases and hire purchase contracts	17,723	10,751
	<u>17,723</u>	<u>10,751</u>

11. Taxation

	52 weeks ended 30 April 2022 £	52 weeks ended 1 May 2021 £
Corporation tax		
Current tax on profits for the year	-	(75,885)
	<u>-</u>	<u>(75,885)</u>
Total current tax	<u>-</u>	<u>(75,885)</u>
Deferred tax		
Origination and reversal of timing differences	28,296	71,332
Total deferred tax	<u>28,296</u>	<u>71,332</u>
Taxation on profit/(loss) on ordinary activities	<u>28,296</u>	<u>(4,553)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2022

11. Taxation (continued)

Factors affecting tax charge for the period

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

	52 weeks ended 30 April 2022 £	52 weeks ended 1 May 2021 £
Profit/(loss) on ordinary activities before tax	<u>86,079</u>	<u>(27,314)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	16,355	(5,190)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,957	123
Capital allowances for period in excess of depreciation	(62,097)	(74,603)
Utilisation of tax losses	44,083	-
Changes in provisions leading to an increase (decrease) in the tax charge	(298)	3,785
Deferred tax charge	28,296	71,332
Total tax charge for the period	<u>28,296</u>	<u>(4,553)</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2022

12. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 2 May 2021	193,448	1,541,398	-	1,734,846
Additions	63,933	260,006	155,052	478,991
At 30 April 2022	257,381	1,801,404	155,052	2,213,837
Depreciation				
At 2 May 2021	101,914	831,362	-	933,276
Charge for the period on owned assets	46,504	-	-	46,504
Charge for the period on financed assets	-	310,514	-	310,514
At 30 April 2022	148,418	1,141,876	-	1,290,294
Net book value				
At 30 April 2022	108,963	659,528	155,052	923,543
At 1 May 2021	91,535	710,036	-	801,571

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

	30 April 2022 £	1 May 2021 £
Motor vehicles	610,582	646,881
	<u>610,582</u>	<u>646,881</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2022

13. Investment property

	Freehold investment property £
Valuation	
At 2 May 2021	150,000
	<hr/>
At 30 April 2022	150,000
	<hr/>

The 2022 valuations were made by the directors, on a fair value basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	30 April 2022 £	1 May 2021 £
Historic cost	150,000	150,000
	<hr/>	<hr/>
	150,000	150,000
	<hr/>	<hr/>

14. Stocks

	30 April 2022 £	1 May 2021 £
Goods for resale	299,105	167,508
	<hr/>	<hr/>
	299,105	167,508
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2022

15. Debtors

	30 April 2022 £	1 May 2021 £
Due after more than one year		
Other debtors	163,625	184,675
	<u>163,625</u>	<u>184,675</u>
Due within one year		
Trade debtors	2,584,435	1,757,203
Other debtors	444,921	513,106
Prepayments and accrued income	126,417	74,602
Tax recoverable	32,500	32,500
	<u>3,188,273</u>	<u>2,377,411</u>

16. Cash and cash equivalents

	30 April 2022 £	1 May 2021 £
Cash at bank and in hand	67,335	503,745
Less: bank overdrafts	(116,282)	-
	<u>(48,947)</u>	<u>503,745</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2022

17. Creditors: Amounts falling due within one year

	30 April 2022 £	1 May 2021 £
Bank overdrafts	116,282	-
Trade creditors	989,405	464,314
Other taxation and social security	170,654	71,996
Obligations under finance lease and hire purchase contracts	244,493	247,195
Other creditors	-	91,111
Accruals and deferred income	115,205	191,157
	<u>1,636,039</u>	<u>1,065,773</u>

The following liabilities were secured:

	30 April 2022 £	1 May 2021 £
Obligations under finance leases and hire purchase contracts	244,493	247,195
	<u>244,493</u>	<u>247,195</u>

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

The Company's bank facilities are secured by a fixed and floating charge over the Company's assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2022

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

	30 April 2022 £	1 May 2021 £
Net obligations under finance leases and hire purchase contracts	358,336	407,709
	<u>358,336</u>	<u>407,709</u>

The following liabilities were secured:

	30 April 2022 £	1 May 2021 £
Net obligations under finance leases and hire purchase contracts	358,336	407,709
	<u>358,336</u>	<u>407,709</u>

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	30 April 2022 £	1 May 2021 £
Within one year	244,493	247,195
Between 1-5 years	173,812	209,894
Over 5 years	184,524	197,815
	<u>602,829</u>	<u>654,904</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2022

20. Deferred taxation

	2022 £
At beginning of year	(88,655)
Charged to profit or loss	(28,296)
At end of year	<u>(116,951)</u>

The provision for deferred taxation is made up as follows:

	30 April 2022 £	1 May 2021 £
Accelerated capital allowances	(136,332)	(95,035)
Tax losses carried forward	18,076	-
Other timing differences	1,305	6,380
	<u>(116,951)</u>	<u>(88,655)</u>

21. Share capital

	30 April 2022 £	1 May 2021 £
Authorised, allotted, called up and fully paid		
1,000 Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

22. Reserves

Profit and loss account

This reserve records the cumulative amount of profits and losses less any distribution of dividends. Movement is detailed in the Statement of Changes in Equity.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2022**

23. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £38,673 (2021 - £28,032). Contributions totalling £13,027 (2021 - £8,502) were payable to the fund at the balance sheet date and are included in other creditors.

24. Post balance sheet events

After the period end date, the company redesignated it's 1,000 Ordinary shares of £1.00 each as 950 A Ordinary shares and 50 B Ordinary shares of £1.00 each.

After the period end date the company also declared two interim dividends of £62,000 each to all B Ordinary shareholders.

25. Controlling party and related party transactions

For the whole of the period the Company was under the control of J Holland, a director, due to his interest in 100% of the issued share capital of the Company.

Purchases, net of rebates and value added tax, were made from a limited liability partnership, controlled by a director, with a total value of £3,335,819 (2021 - £1,819,400). The balance owing by the Company at the period end, included within trade creditors was £536,184 (2021 - £153,987), inclusive of value added tax, and £41,973 (2021 - £29,006) is included within accruals and other creditors.

An amount of £166,791 (2021 - £90,970), exclusive of value added tax, has been included in the financial statements in respect of a volume rebate. Unpaid rebates and charges totalling £1,063,994 (2021 - £897,204) are included within trade debtors, inclusive of value added tax.

In addition, sales net of value added tax were made to the same limited liability partnership with a total value of £67,213 (2021 - £49,080). The balance owed to the Company at the period end, included within trade debtors, was £2,916 (2021 - £1,697).

Rent on land and buildings totalling £91,874 (2021 - £81,300) was paid to a director's SIPP.

Included within other debtors is an amount of £100,000 (2021 - £100,000) due from a director. The loan is interest free and repayable on demand.

During the period, sales, net of value added tax, with a total value of £1,039 (2021 - £21,389) were made to an entity under common control. The balance owed to the Company at the period end by this entity, included within trade debtors, was £Nil (2021 - £6,000).

Purchases, net of value added tax, were made from this same entity with a total value of £252,153 (2021 - £106,666). The balance owed by the Company at the period end to this entity was £11,830 (2021 - (£456)). During the period the control of this entity was transferred in full to a third party, such that the entity was no longer under common control at the end of the current period.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.