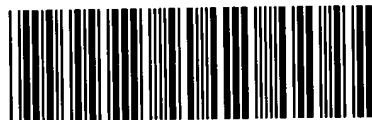


Company Registration No. 03800145 (England and Wales)

INTERFOOD TECHNOLOGY LTD.
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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INTERFOOD TECHNOLOGY LTD.

COMPANY INFORMATION

Directors	J I Sydenham R M Unwin H Schoenmaker D M Richardson	(Appointed 15 April 2021)
Secretary	D M Richardson	
Company number	03800145	
Registered office	30 Upper High Street Thame Oxfordshire OX9 3EZ	
Auditor	Richardsons 30 Upper High Street Thame Oxfordshire OX9 3EZ	

INTERFOOD TECHNOLOGY LTD.

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4
Directors' responsibilities statement	5
Independent auditor's report	6 - 8
Profit and loss account	9
Group statement of comprehensive income	10
Group balance sheet	11
Company balance sheet	12
Group statement of changes in equity	13
Company statement of changes in equity	14
Group statement of cash flows	15
Company statement of cash flows	16
Notes to the financial statements	17 - 34

INTERFOOD TECHNOLOGY LTD.

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Fair review of the business

Interfood Technology Limited ("the company") is a leading distributor of industrial food manufacturing and processing equipment in the UK and Ireland. The company also provides a full range of complementary support services.

The food and drink industry is the largest manufacturing sector in the UK and the company serves customers across a broad range of food industry subsectors including meat, dairy, plant-based and bakery for human and pet consumption.

The company benefits from a high degree of loyalty and repeat business from many market-leading businesses in the food manufacturing sector. The success of the company's business model rests on its ability to supply a wide range of quality equipment and to provide a very high standard of technical back-up, after sales service and support.

2021 has been a tough but successful year for the company with turnover up compared to 2020, although lower than budgeted due to global supply chain issues beyond the company's control.

The Impact of COVID-19 and Brexit has presented many challenges. The company has a robust Covid-19 health and safety policy in place and has continually monitored, measured, and acted on all new and relevant information. Brexit's main impact was widespread transportation delays exacerbated by additional administration at the UK/Europe border. With careful planning and preparation, the impact from both challenges were minimised during the period.

Global supply chain issues during the year significantly extended manufacturer lead times, pushing many orders into 2022 and resulting in lower than budgeted turnover. Without such delays, it is likely that budget would have been achieved and, arguably, exceeded.

2021 saw the implementation of a new ERP system. With extensive planning and training the changeover was successful. It is anticipated that the new system's improved efficiency will result in cost reductions and increased productivity. The company aims to expand this system to benefit other areas of its operations including service and sales.

Marketing activities were increased during the period with assistance from a professional marketing company. Initiatives included a new website, increased media coverage and improved reporting.

Looking forward, the company is in robust financial and operational health, with a strong pre-sales and project pipeline for 2022. The company's offering, along with its robust organisational structure, culture, and the resilience required to thrive places it in a strong position. The food manufacturing industry is experiencing chronic labour shortages causing many manufacturers to increase their automation. This development will continue to provide the company with increased opportunities in the marketplace. In addition, the trend towards the increasing consumption of plant-based foods continues to drive additional capital spending on new equipment, an area in which the company also has a strong and developing offering.

INTERFOOD TECHNOLOGY LTD.

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial performance

Turnover increased by 9% to £30.5m (2020: £28.1m), and associated gross profit increased 7% to £10.8m (2020: £10.0m). Profit before tax of £2.4m (2020: £2.6m) was 7% lower than the prior year.

The group had planned for revenues of £33.4m, but a challenging supply chain environment - with machine supply lead times extending due to COVID-19 impacts on work forces and raw material shortages – resulted in expected 2021 machine deliveries shifting to Q1 2022.

Despite uncertainty and disruption from COVID-19 still present in the company's markets, sales of machines have remained strong, with the company capitalising on available opportunities - arising from Government-backed investment schemes and a desire from customers to automate production lines – and securing a strong order book for 2022.

Overheads were 12% higher than in 2020, due to one-off ICT costs for a new ERP system; increased travel costs as the company's sales and service operations returned to a more normal-level after lock-down disruption in 2020; and significant foreign exchange losses in comparison to substantial gains in 2020. These losses arose from large euro denominated asset balances – built-up from euro machine sales billings – revaluing as the euro weakened against sterling during the year.

The group generated £3.1m of cash from operating activities, contributing to a net cash inflow of £2.6m. No dividends were paid during the year.

Key performance indicators

The group monitors performance against key financial objectives that the Directors judge to be effective in measuring the delivery of strategic aims and managing and controlling the business. These focus on turnover, gross profit, profit before tax and forward order book. Within the business, KPI's also include working capital control, such as aged inventory and aged accounts receivable, and customer-related performance measures such as on-time delivery, distribution centre picking errors and returns. These key performance indicators are measured and reviewed against targets on a regular basis.

INTERFOOD TECHNOLOGY LTD.

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Principal business risks

The Directors have identified, and regularly review, the principal risks that threaten the company's business model, future performance, solvency, or liquidity and assessed our appetite for such risks. These risks have been reviewed in-line with our strategic aims. We have considered reasonable steps to mitigate them, and the threats created by them.

Market risks - The company is aware of market risk in relation to the dependence upon key customers and the resulting exposure to the risk of a downturn in any of their larger customers' activities, possibly as a result of the loss by that customer of a particular supply contract. This risk is often mitigated by the fact that the loss by one customer of a contract is a gain for another customer, who may consequently make a significant capital investment in order to improve capacity or increase productivity. Customer capital investment plans are monitored wherever possible to help mitigate that risk. The Directors consider that the current level of market risk is normal.

Supply chain delays - Continuity of business activities is dependent upon the supply of high-quality products from our key agency / OEM suppliers. A close and trusting relationships with existing OEM suppliers is very important. The business seeks to minimise this risk by continuing to monitor, measure, report, plan and take relevant actions to reduce any delays that can affect the business.

Information Technology ("IT") - Our IT systems and the information they contain are subject to security risks, including the unexpected loss of continuity from virus or other issues, and the deliberate breach of security controls for commercial gain or mischief. Any such occurrences could have a significant detrimental effect on our business activities. These risks are mitigated by the utilisation of physical and embedded security systems, regular back-ups and disaster recovery planning.

Financial risks - The main financial risks we face are credit risk, foreign currency risk and liquidity risk. The Directors regularly review these risks. Credit risk is managed by monitoring limits and payment performance of customers. Where a customer is deemed to represent an unacceptable level of credit risk, terms of trade are modified to limit the group's exposure. The Directors consider the level of general credit risk in current market conditions to be slightly higher than normal. Foreign currency risk is managed by matching payments and receipts in foreign currency to minimise exposure. With no external debt within the group, liquidity risk is currently considered to be low; cash flow forecasting is nevertheless maintained on a regular basis.

The Directors believe the company is well placed to thrive and expand over the coming years.



J I Sydenham

Director

4 February 2022

INTERFOOD TECHNOLOGY LTD.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company and group continued to be that of the distribution of industrial food manufacturing, processing and production machinery.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J I Sydenham

R M Unwin

M A Linas

(Resigned 1 September 2021)

H Schoenmaker

D M Richardson

(Appointed 15 April 2021)


Auditor

In accordance with the company's articles, a resolution proposing that Richardsons be reappointed as auditor of the group will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



J I Sydenham

Director

Date: 4 February 2022

INTERFOOD TECHNOLOGY LTD.

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INTERFOOD TECHNOLOGY LTD.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERFOOD TECHNOLOGY LTD.

Opinion

We have audited the financial statements of Interfood Technology Ltd. (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including 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 group's and the parent company's affairs as at 31 December 2021 and of the group's profit for the year 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent 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.

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.

INTERFOOD TECHNOLOGY LTD.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INTERFOOD TECHNOLOGY LTD.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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

Auditor's responsibilities for the audit of the financial statements

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

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

INTERFOOD TECHNOLOGY LTD.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

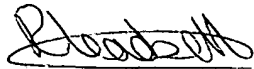
TO THE MEMBERS OF INTERFOOD TECHNOLOGY LTD.

-
- Obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those that relate to financial reporting, FRS 102 and the Companies Act.
 - Enquiry of management and those charged with governance around actual and potential litigation and claims.
 - Enquiry of the company's staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
 - Reviewing minutes of meetings of those charged with governance.
 - Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
 - Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 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.



Ria Leadbetter (Senior Statutory Auditor)
For and on behalf of Richardsons

Date: 04/02/2022

Chartered Accountants
Statutory Auditor

30 Upper High Street
Thame
Oxfordshire
OX9 3EZ

INTERFOOD TECHNOLOGY LTD.

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	30,521,160	28,128,746
Cost of sales		(19,767,065)	(18,082,317)
Gross profit		10,754,095	10,046,429
Administrative expenses		(8,284,981)	(7,426,023)
Operating profit	4	2,469,114	2,620,406
Interest receivable and similar income	8	244	315
Interest payable and similar expenses	9	(23,976)	(21,658)
Profit before taxation		2,445,382	2,599,063
Tax on profit	10	(470,720)	(512,867)
Profit for the financial year	26	1,974,662	2,086,196

Profit for the financial year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

INTERFOOD TECHNOLOGY LTD.

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Profit for the year	1,974,662	2,086,196
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,974,662</u>	<u>2,086,196</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

INTERFOOD TECHNOLOGY LTD.

GROUP BALANCE SHEET AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	12	102,325		-	
Tangible assets	13	916,202		813,946	
		<u>1,018,527</u>		<u>813,946</u>	
Current assets					
Stocks	16	4,810,167		4,154,654	
Debtors	17	9,311,383		5,297,035	
Cash at bank and in hand		5,241,346		2,621,891	
		<u>19,362,896</u>		<u>12,073,580</u>	
Creditors: amounts falling due within one year	19	(12,796,521)		(7,112,911)	
Net current assets		<u>6,566,375</u>		<u>4,960,669</u>	
Total assets less current liabilities		<u>7,584,902</u>		<u>5,774,615</u>	
Creditors: amounts falling due after more than one year	20	(413,028)		(414,951)	
Provisions for liabilities					
Provisions	22	199,400		363,400	
Deferred tax liability	23	18,283		16,735	
		<u>(217,683)</u>		<u>(380,135)</u>	
Net assets		<u>6,954,191</u>		<u>4,979,529</u>	
Capital and reserves					
Called up share capital	25	120,000		120,000	
Profit and loss reserves	26	6,834,191		4,859,529	
Total equity		<u>6,954,191</u>		<u>4,979,529</u>	

The financial statements were approved by the board of directors and authorised for issue on 4 February 2022 and are signed on its behalf by:


J. Sydenham
Director

INTERFOOD TECHNOLOGY LTD.

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	12	102,325		-	
Tangible assets	13	916,202		813,946	
Investments	14	200		200	
		<u>1,018,727</u>		<u>814,146</u>	
Current assets					
Stocks	16	4,810,167		4,154,654	
Debtors	17	9,311,183		5,296,835	
Cash at bank and in hand		5,241,346		2,621,891	
		<u>19,362,696</u>		<u>12,073,380</u>	
Creditors: amounts falling due within one year	19	(12,796,521)		(7,112,911)	
Net current assets		<u>6,566,175</u>		<u>4,960,469</u>	
Total assets less current liabilities		<u>7,584,902</u>		<u>5,774,615</u>	
Creditors: amounts falling due after more than one year	20	(413,028)		(414,951)	
Provisions for liabilities					
Provisions	22	199,400		363,400	
Deferred tax liability	23	18,283		16,735	
		<u>(217,683)</u>		<u>(380,135)</u>	
Net assets		<u>6,954,191</u>		<u>4,979,529</u>	
Capital and reserves					
Called up share capital	25	120,000		120,000	
Profit and loss reserves	26	6,834,191		4,859,529	
Total equity		<u>6,954,191</u>		<u>4,979,529</u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,974,662 (2020 - £4,763,686 profit).

The financial statements were approved by the board of directors and authorised for issue on 4 February 2022 and are signed on its behalf by:


J I Sydenham
Director

Company Registration No. 03800145

INTERFOOD TECHNOLOGY LTD.

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2020		120,000	7,252,933	7,372,933
Year ended 31 December 2020:				
Profit and total comprehensive income for the year		-	2,086,196	2,086,196
Dividends	11	-	(4,479,600)	(4,479,600)
Balance at 31 December 2020		120,000	4,859,529	4,979,529
Year ended 31 December 2021:				
Profit and total comprehensive income for the year		-	1,974,662	1,974,662
Balance at 31 December 2021		120,000	6,834,191	6,954,191

INTERFOOD TECHNOLOGY LTD.

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2020		120,000	4,575,443	4,695,443
Year ended 31 December 2020:				
Profit and total comprehensive income for the year		-	4,763,686	4,763,686
Dividends	11	-	(4,479,600)	(4,479,600)
Balance at 31 December 2020		120,000	4,859,529	4,979,529
Year ended 31 December 2021:				
Profit and total comprehensive income for the year		-	1,974,662	1,974,662
Balance at 31 December 2021		120,000	6,834,191	6,954,191

INTERFOOD TECHNOLOGY LTD.

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	31	3,630,618		1,929,811	
Interest paid		(23,976)		(21,658)	
Income taxes paid		(469,172)		(451,473)	
Net cash inflow from operating activities		3,137,470		1,456,680	
Investing activities					
Purchase of intangible assets		(109,634)		-	
Purchase of tangible fixed assets		(512,853)		(471,877)	
Proceeds on disposal of tangible fixed assets		58,150		58,548	
Interest received		244		315	
Net cash used in investing activities		(564,093)		(413,014)	
Financing activities					
Payment of finance leases obligations		46,078		147,865	
Dividends paid to equity shareholders		-		(4,479,600)	
Net cash generated from/(used in) financing activities		46,078		(4,331,735)	
Net increase/(decrease) in cash and cash equivalents		2,619,455		(3,288,069)	
Cash and cash equivalents at beginning of year		2,621,891		5,909,960	
Cash and cash equivalents at end of year		5,241,346		2,621,891	

INTERFOOD TECHNOLOGY LTD.

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	32	3,630,618		2,004,897	
Interest paid		(23,976)		(20,700)	
Income taxes paid		(469,172)		(85,114)	
Net cash inflow from operating activities		<u>3,137,470</u>		<u>1,899,083</u>	
Investing activities					
Purchase of intangible assets		(109,634)		-	
Purchase of tangible fixed assets		(512,853)		(471,877)	
Proceeds on disposal of tangible fixed assets		58,150		58,548	
Interest received		244		315	
Dividends received		-		4,230,556	
Net cash (used in)/generated from investing activities		<u>(564,093)</u>		<u>3,817,542</u>	
Financing activities					
Payment of finance leases obligations		46,078		147,865	
Dividends paid to equity shareholders		-		(4,479,600)	
Net cash generated from/(used in) financing activities		<u>46,078</u>		<u>(4,331,735)</u>	
Net increase in cash and cash equivalents		<u>2,619,455</u>		<u>1,384,890</u>	
Cash and cash equivalents at beginning of year		<u>2,621,891</u>		<u>1,237,001</u>	
Cash and cash equivalents at end of year		<u><u>5,241,346</u></u>		<u><u>2,621,891</u></u>	

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Interfood Technology Ltd. ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is, 30 Upper High Street, Thame, Oxfordshire, OX9 3EZ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Interfood Technology Ltd. together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

The group recognises revenues on the sale of products, net of discounts, sales incentives, customer bonuses, rebates granted and sales tax. The sale is recognised when products are delivered to the customer's premises, which is when title and risks and rewards of ownership pass to the customer.

Revenues from services provided and commissions received are recognised over the term of the underlying contract.

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	20% straight line basis
----------	-------------------------

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	straight line basis over the remaining lease term
Plant and equipment	25% straight line basis
Computer equipment	50% straight line basis
Motor vehicles	25% straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.7 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.9 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.10 Financial instruments

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax assets and liabilities are not discounted.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.12 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

The company operates a defined contribution pension scheme covering the directors. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

1.15 Leases

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are charged against profit on a straight line basis over the lease term.

1.16 Foreign exchange

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

1.17 Intercompany balances

Intercompany balances are repayable on demand. Upon consolidation intercompany balances are eliminated.

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2021 £	2020 £
Turnover analysed by class of business		
Goods	28,227,266	25,798,637
Services	2,288,496	1,935,106
Commissions	-	104,606
Other	5,398	290,397
	<u>30,521,160</u>	<u>28,128,746</u>
	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	24,141,850	22,094,237
Europe	6,379,310	6,034,509
	<u>30,521,160</u>	<u>28,128,746</u>
	2021 £	2020 £
Other significant revenue		
Interest income	<u>244</u>	<u>315</u>

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	114,740	(198,853)
Depreciation of owned tangible fixed assets	91,777	98,066
Depreciation of tangible fixed assets held under finance leases	317,278	268,789
Profit on disposal of tangible fixed assets	(56,608)	(58,549)
Amortisation of intangible assets	7,309	-
	<u>114,740</u>	<u>(198,853)</u>

5 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	30,700	30,700
	<u>30,700</u>	<u>30,700</u>
For other services		
Taxation compliance services	8,800	8,800
All other non-audit services	2,900	2,900
	<u>11,700</u>	<u>11,700</u>

6 Employees

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Directors	3	4	3	4
Engineers	28	26	28	-
Sales	13	9	13	3
Office staff	24	31	24	31
	<u>68</u>	<u>70</u>	<u>68</u>	<u>38</u>
Total	68	70	68	38

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

6 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	5,034,169	4,825,549	5,034,169	2,538,368
Social security costs	659,826	638,176	659,826	364,799
Pension costs	214,302	204,999	214,302	116,331
	<u>5,908,297</u>	<u>5,668,724</u>	<u>5,908,297</u>	<u>3,019,498</u>

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	1,062,139	1,004,914
Company pension contributions to defined contribution schemes	19,502	26,934
	<u>1,081,641</u>	<u>1,031,848</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	358,906	443,229
Company pension contributions to defined contribution schemes	3,619	7,434
	<u>362,525</u>	<u>450,663</u>

8 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	-	56
Other interest income	244	259
	<u>244</u>	<u>315</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	-	56
	<u>-</u>	<u>56</u>

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

9 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	434	1,335
Other finance costs:		
Interest on finance leases and hire purchase contracts	23,542	20,323
Total finance costs	23,976	21,658

10 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	469,172	451,473
Deferred tax		
Origination and reversal of timing differences	1,548	61,394
Total tax charge	470,720	512,867

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	2,445,382	2,599,063
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	464,623	493,822
Tax effect of expenses that are not deductible in determining taxable profit	3,022	7,678
Permanent capital allowances in excess of depreciation	1,528	(50,027)
Deferred tax adjustments in respect of prior years	1,547	61,394
Taxation charge	470,720	512,867

11 Dividends

	2021 £	2020 £
Recognised as distributions to equity holders:		
Interim paid	-	4,479,600

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12 Intangible fixed assets

Group	Software £
Cost	
At 1 January 2021	-
Additions	109,634
At 31 December 2021	109,634
Amortisation and impairment	
At 1 January 2021	-
Amortisation charged for the year	7,309
At 31 December 2021	7,309
Carrying amount	
At 31 December 2021	102,325
At 31 December 2020	-
Company	Software £
Cost	
At 1 January 2021	-
Additions	109,634
At 31 December 2021	109,634
Amortisation and impairment	
At 1 January 2021	-
Amortisation charged for the year	7,309
At 31 December 2021	7,309
Carrying amount	
At 31 December 2021	102,325
At 31 December 2020	-

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

13 Tangible fixed assets

Group	Leasehold improvements £	Plant and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2021	-	328,777	184,789	1,470,733	1,984,299
Additions	48,067	44,487	15,223	405,076	512,853
Disposals	-	-	(42,712)	(285,210)	(327,922)
At 31 December 2021	48,067	373,264	157,300	1,590,599	2,169,230
Depreciation and impairment					
At 1 January 2021	-	262,117	174,527	733,709	1,170,353
Depreciation charged in the year	3,979	43,045	12,625	349,406	409,055
Eliminated in respect of disposals	-	-	(42,578)	(283,802)	(326,380)
At 31 December 2021	3,979	305,162	144,574	799,313	1,253,028
Carrying amount					
At 31 December 2021	44,088	68,102	12,726	791,286	916,202
At 31 December 2020	-	66,660	10,262	737,024	813,946
Company					
	Leasehold improvements £	Plant and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2021	-	328,777	184,789	1,470,733	1,984,299
Additions	48,067	44,487	15,223	405,076	512,853
Disposals	-	-	(42,712)	(285,210)	(327,922)
At 31 December 2021	48,067	373,264	157,300	1,590,599	2,169,230
Depreciation and impairment					
At 1 January 2021	-	262,117	174,527	733,709	1,170,353
Depreciation charged in the year	3,979	43,045	12,625	349,406	409,055
Eliminated in respect of disposals	-	-	(42,578)	(283,802)	(326,380)
At 31 December 2021	3,979	305,162	144,574	799,313	1,253,028
Carrying amount					
At 31 December 2021	44,088	68,102	12,726	791,286	916,202
At 31 December 2020	-	66,660	10,262	737,024	813,946

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

13 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2021 £	2020 £	Company 2021 £	2020 £
Motor vehicles	750,768	707,345	750,768	707,345

14 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	15	-	-	200	200

Movements in fixed asset investments Company

	Shares in subsidiaries £
Cost or valuation	
At 1 January 2021 and 31 December 2021	200
Carrying amount	
At 31 December 2021	200
At 31 December 2020	200

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Interfood Limited	30 Upper High Street, Thame, OX9 3EZ	Ordinary	100.00
Interfood Slicing Limited	30 Upper High Street, Thame, OX9 3EZ	Ordinary	100.00
Interfood Systems Limited	30 Upper High Street, Thame, OX9 3EZ	Ordinary	100.00

16 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Finished goods and goods for resale	4,810,167	4,154,654	4,810,167	4,154,654

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

17 Debtors

	Group 2021	2020	Company 2021	2020
Amounts falling due within one year:	£	£	£	£
Trade debtors	4,262,838	3,232,140	4,262,838	3,232,140
Other debtors	3,968,369	1,799,811	3,968,169	1,799,611
Prepayments and accrued income	1,080,176	265,084	1,080,176	265,084
	<u>9,311,383</u>	<u>5,297,035</u>	<u>9,311,183</u>	<u>5,296,835</u>

18 Cash At Bank

An intercompany guarantee exists as formal security over the bank accounts between Interfood Systems Limited and Interfood Slicing Limited.

The bank holds a debenture over all the assets within the company.

19 Creditors: amounts falling due within one year

	Notes	Group 2021	2020	Company 2021	2020
		£	£	£	£
Obligations under finance leases	21	286,051	238,050	286,051	238,050
Trade creditors		3,286,757	2,214,259	3,286,757	2,214,259
Other taxation and social security		2,375,961	1,653,237	2,375,961	1,653,237
Other creditors		5,637,289	2,200,849	5,637,289	2,200,849
Accruals and deferred income		1,210,463	806,516	1,210,463	806,516
		<u>12,796,521</u>	<u>7,112,911</u>	<u>12,796,521</u>	<u>7,112,911</u>

20 Creditors: amounts falling due after more than one year

	Notes	Group 2021	2020	Company 2021	2020
		£	£	£	£
Obligations under finance leases	21	<u>413,028</u>	<u>414,951</u>	<u>413,028</u>	<u>414,951</u>

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

21 Finance lease obligations

	Group 2021 £	2020 £	Company 2021 £	2020 £
Future minimum lease payments due under finance leases:				
Within one year	286,051	238,050	286,051	238,050
In two to five years	413,028	414,951	413,028	414,951
	<u>699,079</u>	<u>653,001</u>	<u>699,079</u>	<u>653,001</u>

22 Provisions for liabilities

	Group 2021 £	2020 £	Company 2021 £	2020 £
Other provisions	-	200,000	-	200,000
Dilapidations	199,400	163,400	199,400	163,400
	<u>199,400</u>	<u>363,400</u>	<u>199,400</u>	<u>363,400</u>

Movements on provisions:

Group	Dilapidations £
At 1 January 2021	163,400
Additional provisions in the year	36,000
At 31 December 2021	<u>199,400</u>

Company	Dilapidations £
At 1 January 2021	163,400
Additional provisions in the year	36,000
At 31 December 2021	<u>199,400</u>

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

23 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2021 £	Liabilities 2020 £
Group		
Accelerated capital allowances	18,283	16,735
	<u>18,283</u>	<u>16,735</u>
	Liabilities 2021 £	Liabilities 2020 £
Company		
Accelerated capital allowances	18,283	16,735
	<u>18,283</u>	<u>16,735</u>
	Group 2021 £	Company 2021 £
Movements in the year:		
Liability at 1 January 2021	16,735	16,735
Charge to profit or loss	1,548	1,548
	<u>18,283</u>	<u>18,283</u>
Liability at 31 December 2021	18,283	18,283

24 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	214,302	204,999
	<u>214,302</u>	<u>204,999</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

25 Share capital

Group and company	2021	2020	2021	2020
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary 'A' of £1 each	62,400	62,400	62,400	62,400
Ordinary 'B' of £1 each	28,800	28,800	28,800	28,800
Ordinary 'C' of £1 each	28,800	28,800	28,800	28,800
	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>

Each share is entitled to one vote in any circumstance. Any profits which the directors lawfully determine to distribute shall be distributed among the holders pro rata to the number of shares held. On winding up or other return of capital, any capital shall be distributed among the holders of shares pro rata in relation to the number of shares held. The shares are non-redeemable.

26 Profit and loss reserves

	Group 2021 £	2020 £	Company 2021 £	2020 £
At the beginning of the year	4,859,529	7,252,933	4,859,529	4,575,443
Profit for the year	1,974,662	2,086,196	1,974,662	4,763,686
Dividends	-	(4,479,600)	-	(4,479,600)
At the end of the year	<u>6,834,191</u>	<u>4,859,529</u>	<u>6,834,191</u>	<u>4,859,529</u>

27 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	184,424	183,217	184,424	183,217
Between two and five years	737,695	732,869	737,695	732,869
In over five years	76,843	259,558	76,843	259,558
	<u>998,962</u>	<u>1,175,644</u>	<u>998,962</u>	<u>1,175,644</u>

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

28 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	1,081,642	1,031,848

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Purchases 2021 £	2020 £
Group		
Other related parties	2,281,810	1,092,364

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2021 £	2020 £
Group		
Other related parties	274,233	188,800

Other information

Terms and conditions of transactions with related parties

Sales and purchases between related parties are made at normal market prices. Outstanding balances with entities are unsecured and interest free.

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Within amounts owed to key management are amounts due to the directors.

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

29 Controlling party

The results of Interfood Technology Limited are included in the group accounts prepared by Process-Pack GmbH & Co. KG, a company incorporated in Germany. The address from which the accounts can be obtained is shown below:

Niedeckerstraße 1
65795 Hattersheim a. M.
Germany

30 Transfer of trade, assets and liabilities

On the 31st December 2020 the trade, assets and liabilities of Interfood Slicing Limited and Interfood Systems Limited were transferred up to the parent company Interfood Technology Limited.

31 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	1,974,662	2,086,196
Adjustments for:		
Taxation charged	470,720	512,867
Finance costs	23,976	21,658
Investment income	(244)	(315)
Gain on disposal of tangible fixed assets	(56,608)	(58,549)
Amortisation and impairment of intangible assets	7,309	-
Depreciation and impairment of tangible fixed assets	409,055	366,855
(Decrease)/increase in provisions	(164,000)	36,000
Movements in working capital:		
(Increase)/decrease in stocks	(655,513)	238,830
Increase in debtors	(4,014,348)	(884,633)
Increase/(decrease) in creditors	5,635,609	(389,098)
Cash generated from operations	3,630,618	1,929,811

INTERFOOD TECHNOLOGY LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

32 Cash generated from operations - company

	2021 £	2020 £
Profit for the year after tax	1,974,662	4,763,686
Adjustments for:		
Taxation charged	470,720	146,508
Finance costs	23,976	20,700
Investment income	(244)	(4,230,871)
Gain on disposal of tangible fixed assets	(56,608)	(58,549)
Amortisation and impairment of intangible assets	7,309	-
Depreciation and impairment of tangible fixed assets	409,055	366,855
(Decrease)/increase in provisions	(164,000)	236,000
Movements in working capital:		
Increase in stocks	(655,513)	(3,966,894)
(Increase)/decrease in debtors	(4,014,348)	196,476
Increase in creditors	5,635,609	4,530,986
Cash generated from operations	3,630,618	2,004,897

33 Analysis of changes in net funds - group

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	2,621,891	2,619,455	5,241,346
Obligations under finance leases	(653,001)	(46,078)	(699,079)
	<u>1,968,890</u>	<u>2,573,377</u>	<u>4,542,267</u>

34 Analysis of changes in net funds - company

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	2,621,891	2,619,455	5,241,346
Obligations under finance leases	(653,001)	(46,078)	(699,079)
	<u>1,968,890</u>	<u>2,573,377</u>	<u>4,542,267</u>