

Registered number: 04050391

ANZCO FOODS UK LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 1 JANUARY 2023



ANZCO FOODS UK LIMITED

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ANZCO FOODS UK LIMITED

COMPANY INFORMATION

Directors	P W Conley R W Walker J I Bebbington
Registered number	04050391
Registered office	Jubilee House 3 The Drive Great Warley Brentwood Essex CM13 3FR
Independent auditors	Scrutton Bland LLP Chartered Accountants & Statutory Auditor 820 The Crescent Colchester Business Park Colchester Essex CO4 9YQ
Bankers	HSBC Bank Plc 639 Upper Brentwood Road Romford Essex RM2 6HT

ANZCO FOODS UK LIMITED

GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 1 JANUARY 2023

Introduction

The directors present their strategic report and the audited financial statements for the period ended 1 January 2023 with comparatives provided for the period ended 2 January 2022.

Business review

The results for the period and the financial position at the period end were considered satisfactory by the directors of the business despite the many challenges seen during the calendar year of 2022.

The ANZCO group continued to strive for increased efficiencies and during this year the focus continued on the reduction of cash utilised in the offshore divisions. This was tackled by ensuring debts were being collected in line with expected terms, excessive inventory avoided where possible and the reduction of cash held in offshore divisions.

Key customer relationships were maintained and despite the tough trading conditions this year, no bad debts were incurred.

The Free Trade Agreement between New Zealand and the UK is positive and will potentially give more access to the UK market from the beef side of the ANZCO group. This is now expected to start to come into force during 2023 to 2024.

ANZCO Foods UK Limited recognises its responsibilities under the Modern Slavery Act 2015 and management has prepared a statement outlining the activity carried out in this area. The statement was approved by directors on 19 August 2022.

ANZCO FOODS UK LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2023

Principal risks and uncertainties

Business risk

The continuing increase to protein prices seen over the last two years continued through much of 2022. In the last few months of the year demand started to suffer as the ceiling of pricing was found. Prices moved downwards going into 2023, finding a new level that the industry will move forward with. As a result of the slow down in demand, more inventory is held in cold stores this year than usually planned for. This will be worked through in the first few months of 2023. Inventory has been revalued at year end to reflect the new pricing that the market has settled on. Continuing shipping problems continue to make business challenging going forward.

The management of the Company closely monitors these situations to best serve the needs of the Group.

Strong demand from other markets such as the US and China looks set to carry on which may impact on product availability for the UK. The ANZCO group will manage the internal distribution of product to offshore divisions to best suit the needs of the Group.

Liquidity risk

The Company manages its cash and borrowing requirements in order to minimise interest expense, whilst ensuring that the Company has sufficient liquid resources to meet the operating needs of the business.

The Company's funding is managed through ANZCO Foods Limited (based in New Zealand).

Credit risk

All companies who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis and a provision is made for doubtful debts when necessary.

ANZCO FOODS UK LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2023

Foreign currency risk

The principal operating currency of the UK office is GBP and the European office is EUR. These two parts of the business only operate in their principal operating currency and so the exposure to foreign exchange risk is minimal. The immediate parent company, ANZCO Foods Limited, manages the foreign exchange risk of the group.

Interest rate risk

The Company sources funding through ANZCO Foods Limited with the interest rate agreed for the financial year in its entirety.

Financial key performance indicators

The Directors use the following financial key performance indicators to measure the performance of the Company:

	2023 £	2022 £
Turnover	98,200,960	71,759,023
Gross profit	5,698,574	4,682,299
Operating profit	467,316	860,227

Other key performance indicators

The Directors also consider customer satisfaction and low product rejection rates as key non-financial performance indicators and are confident that both have been achieved to a high level.

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



P W Conley
Director

Date: 10/03/2023

ANZCO FOODS UK LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 1 JANUARY 2023

The directors present their report and the financial statements for the period ended 1 January 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 the Group 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 for the Group's financial statements 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 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity continued to be the wholesale supply of meat from New Zealand.

Results and dividends

The profit for the period, after taxation, amounted to £345,507 (2022 - £628,910).

No dividends were paid during the current or preceding year.

Directors

The directors who served during the period were:

P W Conley
R W Walker
J I Bebbington

ANZCO FOODS UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 1 JANUARY 2023**

Future developments

The Company will continue to differentiate the business by working closely with our key customers when decisions are made on development and investment. Further growth in our branded sales into the food service sector will be pursued. The Company will respond to opportunities that eventuate as a result of new trade policies and agreements.

Qualifying third party indemnity provisions

The Company has taken out insurance to indemnify, against third party proceedings, the directors of the company whilst serving on the board of the company. This policy was in place during the year and remains as the date of this report.

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 and the Group'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 and the Group's auditors are aware of that information.

Auditors

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

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



P W Conley
Director

Date: 10/03/2023

ANZCO FOODS UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANZCO FOODS UK LIMITED

Opinion

We have audited the financial statements of ANZCO Foods UK Limited (the 'parent Company') and its subsidiaries (the 'Group') for the period ended 1 January 2023, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company 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 Group's and of the parent Company's affairs as at 1 January 2023 and of the Group's 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 Group 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 Group's or the 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.

ANZCO FOODS UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANZCO FOODS UK 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 Group 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 Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 5, 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 Group's and 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

ANZCO FOODS UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANZCO FOODS UK LIMITED (CONTINUED)

Use of our report

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

Scrutton Bland LLP

Timothy O'Connor BFP ACA FCCA DChA (Senior Statutory Auditor)

for and on behalf of
Scrutton Bland LLP

Chartered Accountants
Statutory Auditor

820 The Crescent
Colchester Business Park
Colchester
Essex
CO4 9YQ

Date: 30/03/23

ANZCO FOODS UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANZCO FOODS UK 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 Group financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors (as required by auditing standards), inspection of the company's regulatory and legal correspondence and discussed with the directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group and parent Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group and Parent Company is subject to many other laws and regulations where the consequences of noncompliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, food hygiene, anti-bribery and corruption, human rights and employment law, GDPR, trade/export compliance. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the Group and parent Company complies with such regulations; enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of any relevant legal documentation, review of board minutes, testing the appropriateness of journal entries and the performance of analytical review to identify any unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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.

ANZCO FOODS UK LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 1 JANUARY 2023**

	Note	2023 £	2022 £
Turnover	4	98,200,960	71,759,023
Cost of sales		(92,502,386)	(67,076,724)
Gross profit		5,698,574	4,682,299
Distribution costs		(3,507,221)	(2,127,031)
Administrative expenses		(1,724,037)	(1,695,041)
Operating profit	5	467,316	860,227
Interest payable and similar expenses	8	-	(14,900)
Profit before tax		467,316	845,327
Tax on profit	9	(121,809)	(216,417)
Profit for the financial period		345,507	628,910
Other comprehensive income for the period			
Exchange gain/(loss) on retranslation of overseas operation		10,510	(16,931)
Other comprehensive income for the period		10,510	(16,931)
Total comprehensive income for the period		356,017	611,979
Profit for the year attributable to:			
Owners of the parent company		(345,507)	(628,910)
		(345,507)	(628,910)

There were no recognised gains and losses for 2023 or 2022 other than those included in the consolidated statement of comprehensive income.

The notes on pages 18 to 30 form part of these financial statements.

ANZCO FOODS UK LIMITED
REGISTERED NUMBER: 04050391

CONSOLIDATED BALANCE SHEET
AS AT 1 JANUARY 2023

	Note	1 January 2023 £	2 January 2022 £
Fixed assets			
Tangible assets	10	6,149	3,065
		<u>6,149</u>	<u>3,065</u>
Current assets			
Stocks	12	13,066,769	10,605,635
Debtors: amounts falling due within one year	13	4,841,018	6,055,308
Cash at bank and in hand	14	1,189,641	1,133,576
		<u>19,097,428</u>	<u>17,794,519</u>
Creditors: amounts falling due within one year	15	(9,670,662)	(8,961,995)
Net current assets		<u>9,426,766</u>	<u>8,832,524</u>
Total assets less current liabilities		<u>9,432,915</u>	<u>8,835,589</u>
Net assets		<u>9,432,915</u>	<u>8,835,589</u>
Capital and reserves			
Called up share capital	16	100,000	100,000
Foreign exchange reserve	17	24,398	(227,421)
Profit and loss account	17	9,308,517	8,963,010
		<u>9,432,915</u>	<u>8,835,589</u>

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



P W Conley
Director

Date: 10/03/2023

The notes on pages 18 to 30 form part of these financial statements.

ANZCO FOODS UK LIMITED
REGISTERED NUMBER: 04050391

COMPANY BALANCE SHEET
AS AT 1 JANUARY 2023

	Note	1 January 2023 £	2 January 2022 £
Fixed assets			
Tangible assets	10	1,164	1,784
Investments	11	10,572	10,572
		<u>11,736</u>	<u>12,356</u>
Current assets			
Stocks	12	6,026,371	5,670,184
Debtors: amounts falling due within one year	13	2,407,062	3,821,500
Cash at bank and in hand	14	345,423	284,860
		<u>8,778,856</u>	<u>9,776,544</u>
Creditors: amounts falling due within one year	15	(4,195,545)	(5,269,746)
Net current assets		<u>4,583,311</u>	<u>4,506,798</u>
Total assets less current liabilities		<u>4,595,047</u>	<u>4,519,154</u>
Net assets		<u><u>4,595,047</u></u>	<u><u>4,519,154</u></u>
Capital and reserves			
Called up share capital	16	100,000	100,000
Profit and loss account brought forward		4,419,154	4,345,022
Profit for the period		75,893	74,132
Profit and loss account carried forward		<u>4,495,047</u>	<u>4,419,154</u>
		<u><u>4,595,047</u></u>	<u><u>4,519,154</u></u>

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



P W Conley
Director
Date: 10/03/2023

The notes on pages 18 to 30 form part of these financial statements.

ANZCO FOODS UK LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 1 JANUARY 2023**

	Called up share capital £	Foreign exchange reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 3 January 2022	100,000	(227,421)	8,963,010	8,835,589	8,835,589
Comprehensive income for the period					
Profit for the period	-	-	345,507	345,507	345,507
Exchange gain on retranslation of overseas subsidiary	-	10,510	-	10,510	10,510
Other comprehensive income for the period	-	10,510	-	10,510	10,510
Total comprehensive income for the period	-	10,510	345,507	356,017	356,017
Contributions by and distributions to owners					
Exchange gain on retranslation of overseas subsidiary	-	241,309	-	241,309	241,309
Total transactions with owners	-	241,309	-	241,309	241,309
At 1 January 2023	100,000	24,398	9,308,517	9,432,915	9,432,915

The notes on pages 18 to 30 form part of these financial statements.

ANZCO FOODS UK LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 2 JANUARY 2022**

	Called up share capital £	Foreign exchange reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 4 January 2021	100,000	57,998	8,334,100	8,492,098	8,492,098
Comprehensive income for the period					
Profit for the period	-	-	628,910	628,910	628,910
Exchange loss on retranslation of overseas subsidiary	-	(16,931)	-	(16,931)	(16,931)
Other comprehensive income for the period	-	(16,931)	-	(16,931)	(16,931)
Total comprehensive income for the period	-	(16,931)	628,910	611,979	611,979
Contributions by and distributions to owners					
Exchange loss on retranslation of overseas subsidiary	-	(268,488)	-	(268,488)	(268,488)
Total transactions with owners	-	(268,488)	-	(268,488)	(268,488)
At 2 January 2022	100,000	(227,421)	8,963,010	8,835,589	8,835,589

The notes on pages 18 to 30 form part of these financial statements.

ANZCO FOODS UK LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 1 JANUARY 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 3 January 2022	100,000	4,419,154	4,519,154
Comprehensive income for the period			
Profit for the period	-	75,893	75,893
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the period	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	75,893	75,893
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	-
	<hr/>	<hr/>	<hr/>
At 1 January 2023	100,000	4,495,047	4,595,047

The notes on pages 18 to 30 form part of these financial statements.

ANZCO FOODS UK LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 2 JANUARY 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 4 January 2021	100,000	4,345,022	4,445,022
Comprehensive income for the period			
Profit for the period	-	74,132	74,132
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the period	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	74,132	74,132
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	-
	<hr/>	<hr/>	<hr/>
At 2 January 2022	100,000	4,419,154	4,519,154

The notes on pages 18 to 30 form part of these financial statements.

ANZCO FOODS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY 2023

1. General information

ANZCO Foods UK Limited is a private company limited by shares domiciled in England and Wales, registration number 04050391. The registered office is Jubilee House, 3 The Drive, Brentwood, Essex, CM13 3FR, United Kingdom.

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 Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

Parent Company disclosure exemptions

In preparing the separate financial statements of the parent *Company*, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No Statement of Cash Flows has been presented for the parent Company;
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent Company as their remuneration is included in the totals for the Company as a whole.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Itoham Foods Incorporated (registered in Japan) as at 31 March 2023 and these financial statements may be obtained from www.Itoham.co.jp.

ANZCO FOODS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY 2023

2. Accounting policies (continued)

2.3 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.4 Going concern

The Company has a solid track record and considerable financial resources together with long standing relationships with key clients and suppliers. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully. Looking forward, budgets and business plans have been put together in detail for the coming year and the long term strategy of the company includes continuation of the business in the UK and Europe. The directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

ANZCO FOODS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY 2023

2. Accounting policies (continued)

2.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group 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.

2.7 Operating leases: the Group as lessee

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

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

2.8 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.

2.9 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Group in independently administered funds.

ANZCO FOODS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY 2023

2. Accounting policies (continued)

2.10 Taxation

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 and the Group operate and generate income.

2.11 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:

Fixtures and fittings	- 3 years straight line
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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.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 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 weighted average 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.

2.14 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.

ANZCO FOODS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2023**

2. Accounting policies (continued)

2.15 Cash and cash equivalents

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

2.16 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.

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

Preparation of the financial statements requires management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities. Two such areas are determining whether provisions are required against stocks or debtors. The estimates and assumptions are based on experience and other factors that are considered to be relevant.

4. Turnover

The whole of the turnover is attributable to the principal activity of the company.

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	33,016,096	34,153,425
Rest of Europe	65,184,864	37,605,598
	<u>98,200,960</u>	<u>71,759,023</u>

5. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Exchange differences	(52)	1,516
Other operating lease rentals	99,645	109,857
Depreciation of tangible fixed assets	1,600	3,680
	<u> </u>	<u> </u>

ANZCO FOODS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2023**

6. Auditors' remuneration

During the period, the Group obtained the following services from the Company's auditors and their associates:

	2023	2022
	£	£
Fees payable to the Company's auditors and their associates for the audit of the consolidated and parent Company's financial statements	15,000	12,500

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

7. Employees

Staff costs were as follows:

	Group	Group	Company	Company
	1 January	2 January	1 January	2 January
	2023	2022	2023	2022
	£	£	£	£
Wages and salaries	883,477	924,366	288,146	313,417
Social security costs	156,283	158,494	33,965	18,393
Cost of defined contribution scheme	8,423	13,244	8,423	13,244
	<u>1,048,183</u>	<u>1,096,104</u>	<u>330,534</u>	<u>345,054</u>

Directors did not receive any remuneration for this or the preceeding period. Directors are considered key management personnel.

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

	Group	Group	Company	Company
	2023	2022	2023	2022
	No.	No.	No.	No.
Administration	12	13	4	5
Directors	3	3	3	3
	<u>15</u>	<u>16</u>	<u>7</u>	<u>8</u>

ANZCO FOODS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2023**

8. Interest payable and similar expenses

	2023 £	2022 £
Loans from group undertakings	-	14,900
	<u>-</u>	<u>14,900</u>

9. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	121,809	216,273
Adjustments in respect of previous periods	-	144
	<u>121,809</u>	<u>216,417</u>
Total current tax	<u>121,809</u>	<u>216,417</u>

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2022 - higher than) the standard rate of corporation tax in the UK of 19.0% (2022 - 19.0%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>467,316</u>	<u>845,327</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2022 - 19.0%)	88,790	160,612
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	10,420	10,637
Capital allowances for period in excess of depreciation	(109)	21
Higher rate taxes on overseas earnings	22,708	45,183
Increase or decrease in pension fund prepayment leading to an increase (decrease) in tax	-	(181)
Other timing differences leading to an increase (decrease) in taxation	-	145
Total tax charge for the period	<u>121,809</u>	<u>216,417</u>

ANZCO FOODS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2023

9. Taxation (continued)

Factors that may affect future tax charges

If a provision was made for deferred taxation in relation to timing differences, the tax charge for the year would increase by £94 (2022: increase £161).

The rate of Corporation Tax in the UK is due to increase to 25% from 1 April 2023.

10. Tangible fixed assets

Group

	Fixtures and fittings £
Cost or valuation	
At 3 January 2022	126,187
Additions	4,470
Disposals	(68,892)
Exchange adjustments	3,932
At 1 January 2023	65,697
Depreciation	
At 3 January 2022	123,122
Charge for the period on owned assets	1,600
Disposals	(68,892)
Exchange adjustments	3,718
At 1 January 2023	59,548
Net book value	
At 1 January 2023	6,149
At 2 January 2022	3,065

ANZCO FOODS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2023**

10. Tangible fixed assets (continued)

Company

	Fixtures and fittings £
Cost or valuation	
At 3 January 2022	17,254
Additions	660
Disposals	(11,667)
At 1 January 2023	<u>6,247</u>
Depreciation	
At 3 January 2022	15,470
Charge for the period on owned assets	1,280
Disposals	(11,667)
At 1 January 2023	<u>5,083</u>
Net book value	
At 1 January 2023	<u>1,164</u>
At 2 January 2022	<u>1,784</u>

ANZCO FOODS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2023**

11. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 3 January 2022	10,572
At 1 January 2023	<u>10,572</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
ANZCO Foods EU BVBA	Belgium	Ordinary	100%

The aggregate of the share capital and reserves as at 1 January 2023 and the profit or loss for the period ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
ANZCO Foods EU BVBA (€EUR)	5,467,051	314,866

12. Stocks

	Group 1 January 2023 £	Group 2 January 2022 £	Company 1 January 2023 £	Company 2 January 2022 £
Finished goods and goods for resale	13,066,769	10,605,635	6,026,371	5,670,184
	<u>13,066,769</u>	<u>10,605,635</u>	<u>6,026,371</u>	<u>5,670,184</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

ANZCO FOODS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2023**

13. Debtors

	Group 1 January 2023 £	Group 2 January 2022 £	Company 1 January 2023 £	Company 2 January 2022 £
Trade debtors	4,748,450	6,020,545	2,327,867	3,777,379
Amounts owed by group undertakings	-	-	43,591	24,000
Other debtors	68,115	34,763	35,604	20,121
Corporation tax recoverable	24,453	-	-	-
	<u>4,841,018</u>	<u>6,055,308</u>	<u>2,407,062</u>	<u>3,821,500</u>

14. Cash and cash equivalents

	Group 1 January 2023 £	Group 2 January 2022 £	Company 1 January 2023 £	Company 2 January 2022 £
Cash at bank and in hand	1,189,641	1,133,576	345,423	284,860
	<u>1,189,641</u>	<u>1,133,576</u>	<u>345,423</u>	<u>284,860</u>

15. Creditors: Amounts falling due within one year

	Group 1 January 2023 £	Group 2 January 2022 £	Company 1 January 2023 £	Company 2 January 2022 £
Trade creditors	177,095	118,910	46,907	73,080
Amounts owed to group undertakings	8,897,193	8,014,585	3,835,410	4,790,756
Corporation tax	6,574	92,205	9,574	7,144
Other taxation and social security	15,921	31,278	12,078	10,610
Accruals and deferred income	573,879	705,017	291,576	388,156
	<u>9,670,662</u>	<u>8,961,995</u>	<u>4,195,545</u>	<u>5,269,746</u>

ANZCO FOODS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2023**

16. Share capital

	1 January 2023 £	2 January 2022 £
Allotted, called up and fully paid		
100,000 (2022 - 100,000) Ordinary shares of £1 each	100,000	100,000

17. Reserves

Foreign exchange reserve

The foreign exchange reserve represents the accumulated balance of retranslating the overseas investment (previously a branch) into the operating currency of the Company.

Profit and loss account

The profit and loss account represents the company's accumulated profits which are available for distribution to the members.

18. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £8,423 (2022 - £13,244). Contributions totalling £420 (2022 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

19. Commitments under operating leases

At 1 January 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 1 January 2023 £	Group 2 January 2022 £	Company 1 January 2023 £	Company 2 January 2022 £
Not later than 1 year	60,768	80,645	26,516	42,596
Later than 1 year and not later than 5 years	44,363	46,738	3,464	8,659
	105,131	127,383	29,980	51,255

ANZCO FOODS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2023**

20. Controlling party

During this and the preceding year the Company's immediate parent undertaking was ANZCO Foods Limited, a company registered in New Zealand. It has included the Company in its group financial statements, copies of which are available from 5 Robin Mann Place, Christchurch Airport, Christchurch 8053, New Zealand. This is the smallest group for which consolidated financial statements are drawn up.

The ultimate parent undertaking and controlling party is Itoham Foods Incorporated, a company registered in Japan, by virtue of its shareholding in ANZCO Foods Limited. It has included the Company in its group financial statements, copies of which are available from www.Itoham.co.jp. This is the largest group for which consolidated financial statements are drawn up.