

Company Registration No. 04108585 (England and Wales)

FILIPPO BERIO UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

FILIPPO BERIO UK LIMITED

COMPANY INFORMATION

Directors	Mr W Zanre Mr F Maccari Y Zhao (Appointed 12 April 2021)
Secretary	Mr W Zanre
Company number	04108585
Registered office	66 Prescott Street London E1 8NN
Auditor	CBW Audit Limited 66 Prescott Street London E1 8NN
Business address	Premiere House Elstree Way Borehamwood Hertfordshire WD6 1JH
Bankers	HSBC Bank 133 Regent Street London W1B 4HX

FILIPPO BERIO UK LIMITED

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FILIPPO BERIO UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

The purpose of this report is to inform members and help them to assess how the directors have performed their duty under s172 of the Companies Act 2006 to promote the success of the company.

Fair review of the business

Sales revenues showed no change year on year and volumes are marginally down year on year at 1%. During 2020 the Covid-19 pandemic had a significant positive impact on our business and this impact has reduced during 2021, resulting in a slight decline in sales. However, sales remain significantly higher than 2019, the last pre-Covid period

Principal risks and uncertainties

The management of the business and the execution of our strategy are subject to a number of risks. The following section comprises a summary of the main risks which we believe could potentially impact upon our operating and financial performance.

Macroeconomic environment

There is significant inflation in the economy, which will put pressure on many household budgets. However, our experience during the 2008/9 downturn shows that the grocery sector is very resilient during times of economic difficulty. Other more discretionary areas are cutback, such as dining out and the grocery sector benefits. It is possible that shoppers with tight household budgets may choose to down trade and our strategy to defend this is to continue to invest in marketing our brand.

Commodity price risk

The company is exposed to fluctuations in raw material prices. These prices are constantly monitored to reduce the impact of such risk.

Competition/Customers

Our continued investment in advertising support for the brand is targeted to help us retain our key customers. The company continues to closely monitor competitors and changes in the UK grocery market.

Technology

Having devised and operated successful technological solutions required for our trading activities, we are constantly investigating improvements in these areas. During 2021 we have successfully implemented new software to improve the management of our business.

Legal

The company is subject to varying UK and EEC legal and compliance regulations. The company takes its responsibilities seriously and ensures that its policies, systems, and procedures are continually updated and comply with the legal requirements in all the sectors in which we operate.

COVID-19

We have successfully implemented homeworking for all our colleagues in the UK, equipping them with the necessary computer hardware to do so.

Our UK warehousing and logistics partner has managed to recruit sufficient additional resource to maintain our availability and delivery service levels.

Our suppliers in Italy have been able to safely increase production to meet our increased requirements and shipping lines have maintained a regular delivery service to the UK.

Although we have incurred additional costs to maintain our service levels and availability, these have been affordable for the business in this critical period.

FILIPPO BERIO UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Other performance indicators

	2021	2020
Revenue	63,464,820	63,592,315
Cost of sales	58,568,798	56,116,583
Gross Profit as a percentage of revenue (%)	8	12
Number of employees	14	14
Employees (average)	15	14

S172 Statement

We continue to make significant investments in marketing to promote our brand and the continued success of the company.

The investment in marketing has delivered has strengthen our brand equity and raised awareness with consumers, which protects our stakeholder's long-term interests.

We have invested in new software to improve the running of the business. This will provide more detailed and punctual information to our management and stakeholders.

In the medium and long term this investment will make the business more efficient and deliver the regular management information our stakeholders require.

We have invested in specific training to help develop our employee's skills to assist them in being better able to execute their functions.

The Company adopts a policy of transparency with all suppliers, customers, and other business contacts. This results in excellent working relationships and a long-term association.

The Company takes very seriously its role impact on society and endeavours to support the local community. At all times we comply with all regulations relating to product safety and environmental impact. There is an ongoing program of work, evaluating how to reduce our environmental impact.

At all times, the Company and its representatives conduct business in a transparent and ethical manner to ensure we maintain the highest standards of business conduct.

The Company is an equal opportunities employer, does not tolerate any discrimination in the workplace and treats all its employees equally and fairly.

During the COVID-19 crisis, measures were taken to protect all our employees and to make our work environment as safe as possible. Any interaction with external people has been minimised and business travel has been minimised.

On behalf of the board

Mr W Zanre

Director

7 April 2022

FILIPPO BERIO UK LIMITED

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 is the import and distribution of olive oil.

Results and dividends

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

Ordinary dividends were paid amounting to £2,861,258. The directors do not recommend payment of a final dividend.

Directors

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

Mr W Zanre

Mr B Jin

(Resigned 17 February 2021)

Mr F Maccari

Y Zhao

(Appointed 12 April 2021)

Financial instruments

Foreign currency risk

The company has no operations outside the UK but it buys most goods from Europe so prices are determinate on the Euro exchange rate. As a result the value of the company's assets and liabilities can be affected by movements between Sterling and the Euro.

Credit risk

The risk of financial loss due to third parties failing to honour their obligations arises principally where the company sells goods to customers. The company has implemented policies to minimise such losses, and they require that terms are only granted to customers who meet the internal requirements for having suitable payment history and adequate creditworthiness.

Future developments

The directors aim to maintain the management policies which have resulted in the company's growth in sales volumes in recent years.

Auditor

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

Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

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 company's auditor 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 company's auditor is aware of that information.

FILIPPO BERIO UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

On behalf of the board

Mr W Zanre
Director

7 April 2022

FILIPPO BERIO UK LIMITED

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 company will continue in business.

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

FILIPPO BERIO UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FILIPPO BERIO UK LIMITED

Opinion

We have audited the financial statements of Filippo Berio UK Limited for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement Of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its 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 below. 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 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 this 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.

FILIPPO BERIO UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FILIPPO BERIO UK LIMITED

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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations. The laws and regulations applicable to the company were identified through discussions with directors and other management, and from our commercial knowledge and experience of the retail distribution of olive oil. Of these laws and regulations, we focused on those that we considered may have a direct material effect on the financial statements or the operations of the company, including The Groceries Supply Code of Practice, Packaging Waste Act 1997, The Food Safety Act 1990, Companies Act 2006, taxation legislation, data protection, anti-bribery, anti-money-laundering, employment, environmental and health and safety legislation. The extent of compliance with these laws and regulations identified above was assessed through making enquiries of management and inspecting legal correspondence. The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

FILIPPO BERIO UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FILIPPO BERIO UK LIMITED

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- use of data analytics to test journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators, the company's legal advisors and BRGS, a global brand and consumer protection scheme.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities 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.

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.

Peter Winter (Senior Statutory Auditor)
For and on behalf of CBW Audit Limited

14 April 2022

Chartered Accountants
Statutory Auditor

66 Prescott Street
London
E1 8NN

FILIPPO BERIO UK LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Revenue	3	63,464,820	63,592,315
Cost of sales		(58,568,798)	(56,116,583)
Gross profit		<u>4,896,022</u>	<u>7,475,732</u>
Distribution costs		(931,636)	(1,022,530)
Administrative expenses		(2,162,318)	(2,033,383)
Operating profit	4	<u>1,802,068</u>	<u>4,419,819</u>
Finance costs	8	(4,743)	(12,962)
Profit before taxation		<u>1,797,325</u>	<u>4,406,857</u>
Tax on profit	9	(335,857)	(844,229)
Profit for the financial year		<u><u>1,461,468</u></u>	<u><u>3,562,628</u></u>

The income statement has been prepared on the basis that all operations are continuing operations.

FILIPPO BERIO UK LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Non-current assets					
Property, plant and equipment	11		20,539		14,729
Current assets					
Inventories	12	5,343,369		11,049,076	
Trade and other receivables	13	11,243,466		13,682,728	
Cash and cash equivalents		1,304,336		3,478,609	
		<u>17,891,171</u>		<u>28,210,413</u>	
Current liabilities	14	<u>(13,762,614)</u>		<u>(22,677,520)</u>	
Net current assets			<u>4,128,557</u>		<u>5,532,893</u>
Total assets less current liabilities			<u>4,149,096</u>		<u>5,547,622</u>
Provisions for liabilities					
Deferred tax liability	15	<u>3,646</u>		<u>2,382</u>	
			<u>(3,646)</u>		<u>(2,382)</u>
Net assets			<u><u>4,145,450</u></u>		<u><u>5,545,240</u></u>
Equity					
Called up share capital	17		30,000		30,000
Retained earnings	18		<u>4,115,450</u>		<u>5,515,240</u>
Total equity			<u><u>4,145,450</u></u>		<u><u>5,545,240</u></u>

The financial statements were approved by the board of directors and authorised for issue on 7 April 2022 and are signed on its behalf by:

Mr W Zanre
Director

Company Registration No. 04108585

FILIPPO BERIO UK LIMITED

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

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 January 2020		30,000	3,210,601	3,240,601
Year ended 31 December 2020:				
Profit and total comprehensive income for the year		-	3,562,628	3,562,628
Dividends	10	-	(1,257,989)	(1,257,989)
Balance at 31 December 2020		30,000	5,515,240	5,545,240
Year ended 31 December 2021:				
Profit and total comprehensive income for the year		-	1,461,468	1,461,468
Dividends	10	-	(2,861,258)	(2,861,258)
Balance at 31 December 2021		30,000	4,115,450	4,145,450

FILIPPO BERIO UK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	22	1,310,786		3,088,987	
Interest paid		(4,743)		(12,962)	
Income taxes paid		(599,311)		(596,092)	
Net cash inflow from operating activities		706,732		2,479,933	
Investing activities					
Purchase of property, plant and equipment		(19,747)		-	
Net cash used in investing activities		(19,747)		-	
Financing activities					
Dividends paid		(2,861,258)		(1,257,989)	
Net cash used in financing activities		(2,861,258)		(1,257,989)	
Net (decrease)/increase in cash and cash equivalents		(2,174,273)		1,221,944	
Cash and cash equivalents at beginning of year		3,478,609		2,256,665	
Cash and cash equivalents at end of year		1,304,336		3,478,609	

FILIPPO BERIO UK LIMITED

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

1 Accounting policies

Company information

Filippo Berio UK Limited is a private company limited by shares incorporated and domiciled in England and Wales. The company's principal place of business is Premiere House, Elstree Way, Borehamwood, Hertfordshire, WD6 1JH.

The principal activity of the company is the import and distribution of olive oil.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company 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. Since the year end the directors have considered the impact of COVID-19 on the business and feel that the overall impact will be positive for the business and therefore continue to adopt the going concern basis.

1.3 Revenue

Turnover represents amounts receivable for goods net of VAT and trade discounts.

Turnover on the sale of goods is recognised when the risks and rewards of ownership are substantially transferred to the customer. Typically this is when the goods are dispatched.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Property, plant and equipment

Property, plant and equipment 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:

Land and buildings Leasehold	33.33% straight line
Plant and machinery	33.33% straight line
Fixtures, fittings & equipment	25% straight line

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 credited or charged to profit or loss.

FILIPPO BERIO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables 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.

FILIPPO BERIO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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 company 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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

FILIPPO BERIO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies, 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 payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities

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

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 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 income statement 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 company'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 taxation is provided in full in respect of taxation by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

FILIPPO BERIO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.11 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 non-current 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.

1.12 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company'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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Promotional accruals

Accruals are accounted for using carefully considered sales. Inevitably, there is an element of judgement, however, the directors aim to achieve a fair balance to be presented in the financial statements.

FILIPPO BERIO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Depreciation

Depreciation is an estimation of the value of the assets which are being utilised within the company. These are calculated using set percentages which the directors have agreed are appropriate.

Stock Provision

The directors consider the value of the stock provision to be appropriate. They are able to draw on many years of experience when arriving at the value.

Provision for Bad and Doubtful Debts

Trade debtors are reviewed and any bad debts are written off when it is apparent that the debtor is not recoverable. This directors consider this to be appropriate, given the nature of the trade debtors.

3 Revenue

An analysis of the company's revenue is as follows:

	2021 £	2020 £
Turnover		
Sale of goods	63,062,210	63,198,881
Commissions receivable	402,610	393,434
	<u>63,464,820</u>	<u>63,592,315</u>

Revenue analysed by geographical market

	2021 £	2020 £
United Kingdom	<u>63,464,820</u>	<u>63,592,315</u>

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	7,764	(10,345)
Depreciation of owned property, plant and equipment	13,937	9,100
Operating lease charges	<u>189,800</u>	<u>188,261</u>

FILIPPO BERIO UK LIMITED

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

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 company	52,500	48,500

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Administration	5	5
Sales and marketing	10	9
Total	15	14

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	1,118,056	1,115,836
Social security costs	149,762	141,478
Pension costs	32,350	30,705
	1,300,168	1,288,019

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	296,500	352,561

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

	2021 £	2020 £
Remuneration for qualifying services	296,500	352,561

FILIPPO BERIO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Finance costs

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	4,743	12,962

9 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	334,593	845,925
Deferred tax		
Origination and reversal of timing differences	1,264	(1,696)
Total tax charge	335,857	844,229

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	1,797,325	4,406,857
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	341,492	837,303
Tax effect of expenses that are not deductible in determining taxable profit	(9,547)	6,893
Permanent capital allowances in excess of depreciation	1,264	(1,696)
Depreciation on assets not qualifying for tax allowances	2,648	1,729
Taxation charge for the year	335,857	844,229

Factors affecting tax charges in future years

Changes to the UK corporation tax rates were substantively enacted as part of the Chancellors' budget on 3rd March 2021. This includes an increase to the main rate of corporation tax to 25% for companies with profits above £50,000, which will be enacted from April 2023.

10 Dividends

	2021 £	2020 £
Interim paid	2,861,258	1,257,989

FILIPPO BERIO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Dividends

(Continued)

The interim dividend paid by the company during the year amounted to £95.38 per share (2020: £41.93 per share) .

11 Property, plant and equipment

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 January 2021	35,066	85,826	72,549	193,441
Additions	9,694	7,052	3,001	19,747
At 31 December 2021	44,760	92,878	75,550	213,188
Depreciation and impairment				
At 1 January 2021	35,066	79,112	64,534	178,712
Depreciation charged in the year	2,423	7,491	4,023	13,937
At 31 December 2021	37,489	86,603	68,557	192,649
Carrying amount				
At 31 December 2021	7,271	6,275	6,993	20,539
At 31 December 2020	-	6,714	8,015	14,729

12 Inventories

	2021 £	2020 £
Finished goods and goods for resale	5,343,369	11,049,076

13 Trade and other receivables

	2021 £	2020 £
Amounts falling due within one year:		
Trade receivables	10,722,279	12,878,033
Other receivables	388,002	739,459
Prepayments and accrued income	133,185	65,236
	11,243,466	13,682,728

FILIPPO BERIO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Current liabilities

	2021 £	2020 £
Trade payables	2,125,263	2,048,220
Amounts owed to group undertakings	6,573,185	11,592,403
Corporation tax	181,020	445,738
Other taxation and social security	66,931	35,345
Accruals and deferred income	4,816,215	8,555,814
	<u>13,762,614</u>	<u>22,677,520</u>

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. Therefore, the company presents this balance as current.

15 Deferred taxation

Deferred tax assets and liabilities are offset where the 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 £
Balances:		
Timing differences	<u>3,646</u>	<u>2,382</u>
Movements in the year:		2021 £
Liability at 1 January 2021		2,382
Charge to profit or loss		1,264
Liability at 31 December 2021		<u>3,646</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

16 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>32,350</u>	<u>30,705</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

FILIPPO BERIO UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****17 Share capital**

	2021 £	2020 £
Ordinary share capital		
Authorised		
30,000 Ordinary shares of £1 each	30,000	30,000
	<u> </u>	<u> </u>
Issued and fully paid		
30,000 Ordinary shares of £1 each	30,000	30,000
	<u> </u>	<u> </u>

18 Retained earnings

Includes all current and prior period profits and losses.

19 Operating lease commitments**Lessee**

At 31 December 2020 the company was committed to making the following payments under non-cancellable operating leases within the following time periods:

	2021 £	2020 £
Within one year	127,564	115,386
Between two and five years	184,910	253,215
	<u> </u>	<u> </u>
	312,474	368,601
	<u> </u>	<u> </u>

FILIPPO BERIO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

20 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	296,500	352,561

Other information

The company has taken advantage of the exemption available in accordance with Section 33 of FRS 102 'Related Party Disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

21 Ultimate controlling party

The company is controlled by Salov Spa, a company incorporated in Italy.

The accounts for the parent company undertaking can be obtained from:

Salov Spa
Sede legale in Lucca
Direzione e Stabilimento
Via Montramito, 1600
55040 Massarosa
Italy.

The ultimate parent undertaking is Bright Food (Group) Co. Limited, a company incorporated in the People's Republic of China.

The accounts of Bright Food (Group) Co. Limited are the largest group in which the results of the Company are consolidated. These accounts are not publically available.

The accounts of Salov Spa, are the smallest group in which the results of the Company are consolidated. These accounts are not publically available.

FILIPPO BERIO UK LIMITED

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

22 Cash generated from operations

	2021	2020
	£	£
Profit for the year after tax	1,461,468	3,562,628
Adjustments for:		
Taxation charged	335,857	844,229
Finance costs	4,743	12,962
Depreciation and impairment of property, plant and equipment	13,937	9,100
Movements in working capital:		
Decrease/(increase) in inventories	5,705,707	(5,545,908)
Decrease/(increase) in trade and other receivables	2,439,262	(2,483,567)
(Decrease)/increase in trade and other payables	(8,650,188)	6,689,543
Cash generated from operations	<u>1,310,786</u>	<u>3,088,987</u>

23 Analysis of changes in net funds

	1 January 2021	Cash flows	31 December 2021
	£	£	£
Cash at bank and in hand	<u>3,478,609</u>	<u>(2,174,273)</u>	<u>1,304,336</u>

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