

Registration number: 4197908

# New Century Foods Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021



# **New Century Foods Limited**

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## **New Century Foods Limited**

### **Strategic Report for the Year Ended 31 December 2021**

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

#### **Principal activity**

The principal activity of the company is that of specialist bacon curers and wholesalers.

#### **Fair review of the business**

During the year ended 31 December 2021, the company has continued to safely operate during the pandemic which was still prevalent throughout the financial period. As pandemic restrictions have come to an end towards the end of the year and non-essential retail has started to return to normality, turnover has naturally decreased.

Pork prices had decreased throughout the year ended 31 December 2020 and these prices have remained low throughout the year ended 31 December 2021. With raw material prices remaining low throughout the year this has resulted in an increase in gross the profit margin to 16% in 2021 from 11% in 2020.

Net assets were £2,516k at 31 December 2020 and have increased to £3,465k at 31 December 2021 following another profitable year.

Following the year end 50% of the business was purchased by SLJL Holdings Limited, a company controlled by Jacob Lehrmann who was also appointed as a director on 2 March 2022. John Walker remains a 50% shareholder, and continues to manage day to day operations.

The company's key financial and other performance indicators during the year were as follows:

<b>Financial KPIs</b>	<b>Unit</b>	<b>2021</b>	<b>2020</b>
Turnover	£000	23,640	31,438
Gross profit	£000	3,765	3,377
Gross profit margin	%	16	11

Since the balance sheet date pork leg prices have begun to rise and this has therefore reduced margins in the year ending 31 December 2022.

## **New Century Foods Limited**

### **Strategic Report for the Year Ended 31 December 2021**

#### **Principal risks and uncertainties**

The business' principle risks are competitors in the market, raw material prices and various financial risks.

##### **Competitors in the Market:**

The risk of competitors is managed by continually ensuring that the pricing remains competitive and the quality of the finished product is of the highest standard through strict quality control procedures.

##### **Raw material prices:**

Strict buying control processes ensure the impact of raw material prices is minimised.

##### **Financial risks:**

The Company's operations expose it to a variety of financial risks, principally credit risk and liquidity risk.

The effects of credit risks are controlled by the adoption of policies that require appropriate credit checking and monitoring of the key customer and new accounts.

Liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of bank overdrafts and ensuring that sufficient funds are available to meet amounts due.

##### **Non-financial risks:**

The management of the business are subject to a number of non-financial risks and uncertainties including environment risks and the related impact of food scares. These risks are managed by a comprehensive health and safety and food safety policies which are subject to independent audit and inspection routines.

Approved and authorised by the Board on ..... and signed on its behalf by:

.....  
Mr J Walker  
Director

## **New Century Foods Limited**

### **Directors' Report for the Year Ended 31 December 2021**

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

#### **Directors of the company**

The directors who held office during the year were as follows:

Mr S R Mumford

Mr J Walker

The following director was appointed after the year end:

Mr J Lehrmann (appointed 2 March 2022)

#### **Financial instruments**

##### ***Objectives and policies***

The directors take the management of risk very seriously and as such have policies and procedures in place which have been authorised by the board. Managing risk is seen as a key attribute of the company and the company's debt position is closely scrutinised on a regular basis to ensure that it remains serviceable in conjunction with the long term goals of growth and profitability.

##### ***Price risk, credit risk, liquidity risk and cash flow risk***

The business' principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

##### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 9-9-22 and signed on its behalf by:

.....  
Mr J Walker  
Director

## **New Century Foods Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

## **New Century Foods Limited**

### **Independent Auditor's Report to the Members of New Century Foods Limited**

#### **Opinion**

We have audited the financial statements of New Century Foods Limited (the 'company') for the year ended 31 December 2021, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 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 responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's 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 original financial statements were 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. The directors are responsible for the other information contained within the annual report.

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.

## **New Century Foods Limited**

### **Independent Auditor's Report to the Members of New Century Foods Limited**

We have nothing to report in this regard.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], 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 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.

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:



## **New Century Foods Limited**

### **Independent Auditor's Report to the Members of New Century Foods Limited**

- the nature of the industry and sector, control environment and business performance including the design of remuneration policies;
- the company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- the key laws and regulations under which the business operates and whether management were aware of any instances of noncompliance;
- whether the management have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: laws and regulations applicable to the company specifically relating to health and safety, food standards and food safety; valuation of stock costing across various stock areas such as provisions, curing and packaging stock; revenue recognition and sales cut off which has been reviewed through depth testing and cut off testing.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Tax legislation, and Regulations established by regulators in the key markets in which the company operates specifically food standards and food safety regulations.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the operating and environmental regulations relevant to the company.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having a direct effect on the financial statements;
- in addressing the risk of fraud through stock costing, we have reviewed the valuation of individual stock items to relevant invoices or appropriate costings where applicable.
- enquiring of management, concerning any actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- in addressing the risk of fraud in revenue recognition, in addition to our testing described above we have performed focussed testing on trades close to the year-end combined with analytical review procedures to assess accuracy and completeness of revenue recognised;

## New Century Foods Limited

### Independent Auditor's Report to the Members of New Century Foods Limited

- in addressing the risk of fraud in the use of purchase ledger/working capital transactions, we have reviewed the accounting treatments adopted by management against the specific contractual terms and arrangements associated with each individual transaction and reviewed the related disclosures in the financial statements; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

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

*RAS*

Robert Smith BSc FCA (Senior Statutory Auditor)  
For and on behalf of RNS Chartered Accountants, Statutory Auditor

50-54 Oswald Road  
Scunthorpe  
North Lincolnshire  
DN15 7PQ

*1-4-2022*

Date:.....

## New Century Foods Limited

### Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	3	23,639,743	31,438,210
Cost of sales		<u>(19,874,384)</u>	<u>(28,061,087)</u>
Gross profit		3,765,359	3,377,123
Administrative expenses		<u>(2,510,991)</u>	<u>(2,665,964)</u>
Operating profit	5	<u>1,254,368</u>	<u>711,159</u>
Gain on financial assets at fair value through profit and loss		34,493	-
Other interest receivable and similar income	6	7,770	6,308
Interest payable and similar expenses	7	<u>(16,352)</u>	<u>(25,521)</u>
		<u>25,911</u>	<u>(19,213)</u>
Profit before tax		1,280,279	691,946
Tax on profit	11	<u>(191,129)</u>	<u>(85,220)</u>
Profit for the financial year		<u><u>1,089,150</u></u>	<u><u>606,726</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 13 to 22 form an integral part of these financial statements.

**New Century Foods Limited**  
**(Registration number: 4197908)**  
**Balance Sheet as at 31 December 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	12	1,358,704	1,274,696
Other financial assets	13	426,075	339,482
		<u>1,784,779</u>	<u>1,614,178</u>
<b>Current assets</b>			
Stocks	14	889,721	758,690
Debtors	15	3,363,406	3,825,408
Cash at bank and in hand	16	564,712	211,954
		<u>4,817,839</u>	<u>4,796,052</u>
<b>Creditors: Amounts falling due within one year</b>	17	<u>(3,039,726)</u>	<u>(3,820,103)</u>
<b>Net current assets</b>		<u>1,778,113</u>	<u>975,949</u>
<b>Total assets less current liabilities</b>		<u>3,562,892</u>	<u>2,590,127</u>
<b>Provisions for liabilities</b>	18	<u>(98,188)</u>	<u>(74,573)</u>
<b>Net assets</b>		<u><u>3,464,704</u></u>	<u><u>2,515,554</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	77,978	77,978
Capital redemption reserve		12,490	12,490
Other reserves		34,493	-
Retained earnings		<u>3,339,743</u>	<u>2,425,086</u>
Shareholders' funds		<u><u>3,464,704</u></u>	<u><u>2,515,554</u></u>

Approved and authorised by the Board on 9-4-2022 and signed on its behalf by:

.....  
Mr J Walker  
Director

## New Century Foods Limited

### Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £	Capital redemption reserve £	Other reserves £	Retained earnings £
At 1 January 2021	77,978	12,490	-	2,425,086
Profit for the year	-	-	-	1,089,150
Dividends	-	-	-	(140,000)
Transfers	-	-	34,493	(34,493)
At 31 December 2021	77,978	12,490	34,493	3,339,743
				<b>Total £</b>
At 1 January 2021				2,515,554
Profit for the year				1,089,150
Dividends				(140,000)
Transfers				-
At 31 December 2021				3,464,704
	Share capital £	Capital redemption reserve £	Retained earnings £	Total £
At 1 January 2020	77,978	12,490	1,958,360	2,048,828
Profit for the year	-	-	606,726	606,726
Dividends	-	-	(140,000)	(140,000)
At 31 December 2020	77,978	12,490	2,425,086	2,515,554

The notes on pages 13 to 22 form an integral part of these financial statements.

## New Century Foods Limited

### Statement of Cash Flows for the Year Ended 31 December 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Profit for the year		1,089,150	606,726
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	155,950	161,648
Profit from disposals of investments	4	-	(25,388)
Finance income	6	(7,770)	(6,308)
Finance costs	7	16,352	25,521
Corporation tax expense	11	191,129	85,220
Gain on assets at fair value through profit or loss	13	(34,493)	-
		<u>1,410,318</u>	<u>847,419</u>
Working capital adjustments			
(Increase)/decrease in stocks	14	(131,031)	106,343
Decrease in debtors	15	462,002	314,764
Increase/(decrease) in creditors		<u>156,367</u>	<u>(254,546)</u>
Cash generated from operations		1,897,656	1,013,980
Corporation tax paid		<u>(167,514)</u>	<u>(91,925)</u>
Net cash flow from operating activities		<u>1,730,142</u>	<u>922,055</u>
<b>Cash flows from investing activities</b>			
Acquisitions of tangible assets	12	(239,958)	(81,633)
Dividend income	6	<u>7,770</u>	<u>6,308</u>
Net cash flows from investing activities		<u>(232,188)</u>	<u>(75,325)</u>
<b>Cash flows from financing activities</b>			
Interest paid	7	(16,352)	(25,521)
Repayment of bank borrowing		-	(60,166)
Dividends paid	22	(140,000)	(140,000)
Acquisitions of financial assets at fair value through profit and loss		(52,100)	(317,292)
Proceeds from disposal of financial assets at fair value through profit and loss		<u>-</u>	<u>107,744</u>
Net cash flows from financing activities		<u>(208,452)</u>	<u>(435,235)</u>
Net increase in cash and cash equivalents		1,289,502	411,495
Cash and cash equivalents at 1 January		<u>(724,790)</u>	<u>(1,136,285)</u>
Cash and cash equivalents at 31 December	16	<u><u>564,712</u></u>	<u><u>(724,790)</u></u>

The notes on pages 13 to 22 form an integral part of these financial statements.

# **New Century Foods Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2021**

### **1 General information**

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

14 Ram Boulevard  
Foxhills Industrial Estate  
Scunthorpe  
North Lincolnshire  
DN15 8QW

The company registered number is: 4197908

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity;
- and specific criteria have been met for each of the company's activities.

#### **Government grants**

Grant income relating to revenue is recognised on an accruals basis. Income is recognised on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. A grant that becomes receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support with no future related costs, is recognised as income in the period in which it becomes receivable.

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

## **New Century Foods Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

#### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold land and buildings	over 50 years
Plant and machinery	over 5, 7 or 10 years
Expenditure on leasehold property	over 50 years
Motor vehicles	over 5 years

#### **Investments**

Listed investments are measured at fair value. Fair value gains and losses are recognised in the profit and loss account.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised at the transaction price. They are subsequently measured less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.



## **New Century Foods Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress 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, stocks are assessed for impairment. If stocks are 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.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised at the transaction price.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

## New Century Foods Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### 3 Turnover

The analysis of the company's Turnover for the year from continuing operations is as follows:

	2021	2020
	£	£
Sale of goods	<u>23,639,743</u>	<u>31,438,210</u>

#### 4 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2021	2020
	£	£
Gain from disposals of investments	<u>-</u>	<u>25,388</u>

#### 5 Operating profit

Arrived at after charging/(crediting)

	2021	2020
	£	£
Depreciation expense	155,950	161,648
Operating lease expense - other	<u>170,706</u>	<u>173,268</u>

#### 6 Other interest receivable and similar income

	2021	2020
	£	£
Dividend income	<u>7,770</u>	<u>6,308</u>

#### 7 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and borrowings	<u>16,352</u>	<u>25,521</u>

## New Century Foods Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £	2020 £
Wages and salaries	4,231,119	4,424,211
Social security costs	410,156	410,765
Pension costs, defined contribution scheme	77,032	127,808
Other employee expense	33,335	35,206
	<u>4,751,642</u>	<u>4,997,990</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Production	131	132
Administration and support	8	9
	<u>139</u>	<u>141</u>

#### 9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	312,556	311,535
Contributions paid to money purchase schemes	6,000	6,000
	<u>318,556</u>	<u>317,535</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021 No.	2020 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid director:

	2021 £	2020 £
Remuneration	<u>257,526</u>	<u>258,822</u>

# New Century Foods Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 10 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	<u>10,660</u>	<u>12,605</u>

### 11 Taxation

Tax charged/(credited) in the profit and loss account

	2021 £	2020 £
<b>Current taxation</b>		
UK corporation tax	167,514	91,925
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>23,615</u>	<u>(6,705)</u>
Tax expense in the profit and loss account	<u>191,129</u>	<u>85,220</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2020 - lower than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	<u>1,280,279</u>	<u>691,946</u>
Corporation tax at standard rate	243,253	131,470
Effect of expense not deductible in determining taxable profit	-	7,084
Effect of tax losses	-	(558)
Deferred tax expense/(credit) from unrecognised temporary difference from a prior period	23,615	(6,705)
Tax (decrease)/increase from effect of capital allowances and depreciation	(26,376)	10,512
Tax decrease from effect of adjustment in research and development tax credit	(42,809)	(56,583)
Other tax effects for reconciliation between accounting profit and tax expense	<u>(6,554)</u>	<u>-</u>
Total tax charge	<u>191,129</u>	<u>85,220</u>

# New Century Foods Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### Deferred tax

Deferred tax assets and liabilities

	Liability £
<b>2021</b>	
Difference between accumulated depreciation and amortisation and capital allowances	98,188
	<u>98,188</u>
<b>2020</b>	
Difference between accumulated depreciation and amortisation and capital allowances	74,573
	<u>74,573</u>

### 12 Tangible assets

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Expenditure on leasehold property £	Total £
<b>Cost or valuation</b>					
At 1 January 2021	1,123,051	2,120,601	4,311	17,926	3,265,889
Additions	<u>-</u>	<u>239,958</u>	<u>-</u>	<u>-</u>	<u>239,958</u>
At 31 December 2021	<u>1,123,051</u>	<u>2,360,559</u>	<u>4,311</u>	<u>17,926</u>	<u>3,505,847</u>
<b>Depreciation</b>					
At 1 January 2021	356,656	1,628,974	-	5,563	1,991,193
Charge for the year	<u>19,882</u>	<u>135,709</u>	<u>-</u>	<u>359</u>	<u>155,950</u>
At 31 December 2021	<u>376,538</u>	<u>1,764,683</u>	<u>-</u>	<u>5,922</u>	<u>2,147,143</u>
<b>Carrying amount</b>					
At 31 December 2021	<u>746,513</u>	<u>595,876</u>	<u>4,311</u>	<u>12,004</u>	<u>1,358,704</u>
At 31 December 2020	<u>766,395</u>	<u>491,627</u>	<u>4,311</u>	<u>12,363</u>	<u>1,274,696</u>

# New Century Foods Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 13 Other financial assets (current and non-current)

	Financial assets at fair value through profit and loss £	Total £
<b>Non-current financial assets</b>		
<b>Cost or valuation</b>		
At 1 January 2021	339,482	339,482
Fair value adjustments	34,493	34,493
Additions	52,100	52,100
At 31 December 2021	426,075	426,075
<b>Carrying amount</b>		
At 31 December 2021	426,075	426,075

### 14 Stocks

	2021 £	2020 £
Finished goods and goods for resale	889,721	758,690

### 15 Debtors

	2021 £	2020 £
<b>Current</b>		
Trade debtors	3,256,398	3,736,446
Other debtors	8,748	-
Prepayments	58,669	60,083
Social security and other taxes	39,591	28,879
	3,363,406	3,825,408

## New Century Foods Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 16 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	26,826	791
Cash at bank	480,305	1,175
Short-term deposits	57,581	209,988
	<u>564,712</u>	<u>211,954</u>
Bank overdrafts	-	(936,744)
Cash and cash equivalents in statement of cash flows	<u>564,712</u>	<u>(724,790)</u>

#### 17 Creditors

	Note	2021 £	2020 £
<b>Due within one year</b>			
Loans and borrowings	21	-	936,744
Trade creditors		2,309,772	2,261,788
Social security and other taxes		279,262	222,448
Outstanding defined contribution pension costs		19,287	21,736
Other payables		75,781	156,537
Accrued expenses		355,624	220,850
		<u>3,039,726</u>	<u>3,820,103</u>

#### 18 Provisions for liabilities

	Deferred tax £	Total £
At 1 January 2021	74,573	74,573
Increase in existing provisions	23,615	23,615
At 31 December 2021	<u>98,188</u>	<u>98,188</u>

#### 19 Pension and other schemes

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £77,032 (2020 - £127,808).

Contributions totalling £19,287 (2020 - £21,736) were payable to the scheme at the end of the year and are included in creditors.

# **New Century Foods Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2021**

### **20 Share capital**

#### **Allotted, called up and fully paid shares**

	<b>2021</b>		<b>2020</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	<u>77,978</u>	<u>77,978</u>	<u>77,978</u>	<u>77,978</u>

### **21 Loans and borrowings**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Current loans and borrowings</b>		
Bank overdrafts	<u>-</u>	<u>936,744</u>

### **22 Dividends**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Final dividend	<u>140,000</u>	<u>140,000</u>