

Company registration number: 05041303

The Redemption Food Company Limited

Unaudited filleted financial statements

31 March 2021

The Redemption Food Company Limited

Contents

Balance sheet

Notes to the financial statements

The Redemption Food Company Limited

Balance sheet

31 March 2021

	Note	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	5	216,247		217,494	
		<u> </u>	216,247	<u> </u>	217,494
Current assets					
Stocks		98,808		267,819	
Debtors	6	1,042,771		1,201,667	
Cash at bank and in hand		41,262		33,875	
		<u> </u>		<u> </u>	
		1,182,841		1,503,361	
Creditors: amounts falling due within one year	7	(808,421)		(1,237,861)	
		<u> </u>		<u> </u>	
Net current assets			374,420		265,500
			<u> </u>		<u> </u>
Total assets less current liabilities			590,667		482,994
Creditors: amounts falling due after more than one year	8		(527,718)		(79,672)
Provisions for liabilities			(19,304)		(5,030)
			<u> </u>		<u> </u>
Net assets			43,645		398,292
			<u> </u>		<u> </u>
Capital and reserves					
Called up share capital			187,500		187,500
Share premium account			32,500		32,500
Profit and loss account			(176,355)		178,292
			<u> </u>		<u> </u>
Shareholders funds			43,645		398,292
			<u> </u>		<u> </u>

For the year ending 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the Profit and loss account has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 16 March 2022 , and are signed on behalf of the board by:

Mr R J Clarke

Director

Company registration number: 05041303

The Redemption Food Company Limited

Notes to the financial statements

Year ended 31 March 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 5a, Number One Trading Estate, Consett, Durham, DH8 6SR.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that 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 that are expected to apply to the reversal of the timing difference.

Research and development

Research expenditure is written off in the year in which it is incurred. Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met: - It is technically feasible to complete the intangible asset so that it will be available for use or sale; - There is the intention to complete the intangible asset and use or sell it; - There is the ability to use or sell the intangible asset; - The use or sale of the intangible asset will generate probable future economic benefits; - There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and - The expenditure attributable to the intangible asset during its development can be measured reliably. Expenditure that does not meet the above criteria is expensed as incurred.

Tangible assets

tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold improvements	- written off over the term of the lease
Plant and machinery	- 50%, 25% and 12.5% Straight line
Fittings fixtures and equipment	- 25 % straight line
Motor vehicles	- 25 % straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the Balance sheet and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment. Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 23 (2020: 28).

5. Tangible assets

	Long leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2020	487,548	493,082	20,425	46,065	1,047,120
Additions	19,168	14,417	5,649	53,200	92,434
Disposals	-	-	-	(46,065)	(46,065)
At 31 March 2021	506,716	507,499	26,074	53,200	1,093,489
Depreciation					
At 1 April 2020	324,013	460,455	19,238	25,920	829,626
Charge for the year	48,500	18,661	835	12,260	80,256
Disposals	-	-	-	(32,640)	(32,640)
At 31 March 2021	372,513	479,116	20,073	5,540	877,242
Carrying amount					
At 31 March 2021	134,203	28,383	6,001	47,660	216,247
At 31 March 2020	163,535	32,627	1,187	20,145	217,494

6. Debtors

	2021 £	2020 £
Trade debtors	208,635	532,806
Amounts owed by group undertakings and undertakings in which the company has a participating interest	632,663	500,000
Other debtors	201,473	168,861
	1,042,771	1,201,667

Included within trade debtors are factored debts of £161,136 (2020:£487,641).

7. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	204,019	463,365
Trade creditors	371,535	537,086
Corporation tax	62,898	62,898
Social security and other taxes	35,734	34,709
Other creditors	134,235	139,803
	<u>808,421</u>	<u>1,237,861</u>

Included with bank loans and overdrafts is £51,240 (2020 : £399,198) representing advances from a debt factor, and £152,779 (2020 : £70,000) from a bank loan. The debt factor advances are secured by a first charge over factored debts, and the bank loan is secured by a fixed and floating charge over all property and undertakings of the company.

8. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	486,995	35,000
Other creditors	40,723	44,672
	<u>527,718</u>	<u>79,672</u>

The bank loan of £486,995 (2020: £35,000) is secured by a fixed and floating charge over all property and undertakings of the company.

9. Directors advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

2021

	Balance brought forward	Amounts repaid	Balance o/standing
	£	£	£
Mr R J Clarke	(49,821)	85,339	35,518

2020

	Balance brought forward	Amounts repaid	Balance o/standing
	£	£	£
Mr R J Clarke	(38,019)	(11,802)	(49,821)

10. Controlling party

The company is a wholly owned subsidiary of The Redemption Holding Company (UK) Limited, company number 10250910, registered in England, and whose registered address and principal place of business is Unit 5a Number One Industrial Estate, Consett, County Durham, England, DH8 6SR.

11. Subsequent Events and The Implications of Covid-19 on our business

Despite trading results for the year demonstrating that 2020 was the best year in our history, and with initial expectations that the sales revenues would exceed £4m, unfortunately the Covid-19 Pandemic that developed at lesser levels in December 2019, progressively became more aggressive towards the end of the 2021 operating period. By March 2021, the pandemic had a negative impact on sales to our airline and cruise liner customer base, and to sales in general with many customers experiencing the same decline in their own markets. The Covid-19 Pandemic has developed rapidly in the 2020/21 trading period and continued in the 2021/22 trading period, with a significant number of cases arising. In response to the resulting impact of the virus on the operations and measures taken by the Government to contain the virus which not only negatively affected economic activity and the company's results in 2020/21, continues to do so into 2021/22. Management have maintained the following measures to monitor and to mitigate the impact: - Introduced additional health and safety measures to protect our workforce; - Negotiated payment plans with suppliers and landlord; - Utilised Government backed schemes such as CJRS; - Refinanced the business with existing lenders. However, management have considered the impact of Covid-19 on future performance and therefore pressure on liquidity might be significant, but have determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern. There is no doubt that the impact on our revenue has been significant. However we will continue to following the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our

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.