Equinoxe Solutions Limited

Annual report and financial statements for the year ended 31 July 2022

Company Registration Number 06644359

Contents

Company information

Directors

Karl Atkins
Jodi Lea
Robin Mills
Gareth Sharpe

Registered office

Parklands Court
24 Parklands
Birmingham Great Park
Rubery
Birmingham
B45 9PZ

Auditor

KPMG LLP
Chartered Accountants
One Snow Hill
Snow Hill Queensway
Birmingham
B4 6GH

Directors' report for the year ended 31 July 2022

The directors present their annual report and the financial statements for the year ended 31 July 2022.

Principle Activity

The principal activity of the company in the period under review was that of agents involved in the sale of food and beverages.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The company is expected to continue to generate positive cash flows on its own account for the forseeable future, and the Directors confirm that there is no intention to cease operations. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, the company will have sufficient funds to meet its liabilities as they fall due for that period. Though these forecasts are not dependent on Foodbuy Europe Limited providing additional financial support during that period, the support is there if required. The directors, having assessed the responses of the directors of the company's parent, Foodbuy Europe Limited, to their enquiries, have no reason to believe that a material uncertainty exists, which may cast significant doubt about the ability of Equinoxe Solutions Limited to continue as a going concern.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Dividends

Dividends of £390,000 were paid during the period in relation to prior period results (2021: £Nil).

Directors of the company

The directors who held office during the period, were as follows:

Tracy Jones (resigned 31 August 2022)
Stephen Jones (resigned 31 August 2022)
Lee Parker (resigned 31 August 2022)
Mark Aylwin (resigned 31 August 2022)

The following directors were appointed after the year-end:
Gareth Sharpe (appointed 31 August 2022)
Robin Mills (appointed 31 August 2022)
Karl Atkins (appointed 31 August 2022)
Jodi Lea (appointed 31 August 2022)

Political and charitable donations

The company made no political donations or incurred any political expenditure during the period (2021: £Nil).

Directors' report for the year ended 31 July 2022 (continued)

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

The report of the directors has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

Approved by the Board on 25 July 2023 and signed on its behalf by:

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Gareth Sharpe
Director

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 year. 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUINOXE SOLUTIONS LIMITED

Opinion

We have audited the financial statements of Equinoxe Solutions Limited ("the Company") for the year ended 31 July 2022, which comprise the Income Statement, Balance Sheet, Statement of comprehensive income, Statement of changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included reading of Board meeting minutes, enquiring of directors and management as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and our overall knowledge, of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation of design and implementation of control related to management review of year-end adjustments to accrued income. We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those entries from revenue to unexpected accounts and cash and borrowings to unexpected accounts.

Our procedures over revenue recognised throughout the year are designed to identify unexpected transaction pairings that impact revenue in the year.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUINOXE SOLUTIONS LIMITED (continued)

Identifying and responding to risks of material misstatement related to compliance with laws and regulations (continued)

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part our procedures on the related financial statement items.

For the CJRS matter discussed in note 12, we assessed the disclosure against the company's correspondence with HMRC and subsequent repayment and we evaluated management's process for the revised calculation of total claims, including for a sample of employees comparing the wage amount used in the revised calculation to past payroll records and comparing period of furlough to communications to the employees.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, regulatory capital and liquidity, and certain aspects of company legislation recognising the financial and regulated nature of the company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Other matter - prior year financial statements

We note that the prior year financial statements were not audited. Consequently ISAs (UK) require the auditor to state that the corresponding figures contained within these financial statements are unaudited. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUINOXE SOLUTIONS LIMITED (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. A fuller description of our responsibilities is provided at the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Mark Flanagan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snow Hill
Snow Hill Queensway
Birmingham
B4 6GH

27 July 2023

Income statement

For the year ended 31 July 2022

	Note	2022 £	(Restated) 2021 £
Turnover (restated - see note 12)	2, 12	2,072,493	1,018,095
Cost of sales (restated - see note 12)		(244,442)	(122,974)
Gross profit		1,828,051	895,121
Administrative expenses (restated - see note 12)		(1,185,182)	(953,968)
Operating profit	3	642,869	(58,847)
Other income (restated - see note 12)	12	27,899	174,071
Investment write-off		-	(75,000)
Interest receivable and similar income	5	73	32
Profit on ordinary activities before taxation		670,841	40,256
Tax charge on profit on ordinary activities (restated - see note 12)	6, 12	(118,443)	(58,175)
Profit/(loss) for the financial year		552,398	(17,919)

The above results were derived from continuing operations.

The notes on pages 13 to 21 form an integral part of these financial statements.

Statement of comprehensive income

For the year ended 31 July 2022

	2022	(Restated) 2021
	£	£
Profit/(loss) for the financial period (restated - see note 12)	552,398	(17,919)
Total comprehensive income for the period	552,398	(17,919)

Results relate entirely to continuing operations.

The notes on pages 13 to 21 form an integral part of these financial statements.

Balance sheet

As at 31 July 2022

	Note	2022 £	(Restated) 2021 £
Fixed assets			
Tangible assets	7	11,889	12,730
		11,889	12,730
Current assets			
Debtors (restated - see note 12)	8	667,642	515,113
Cash at bank and in hand		615,824	632,474
		1,283,466	1,147,587
Creditors: Amounts falling due within one year (restated - see note 12)	9	(498,166)	(525,526)
Net current assets		785,300	622,061
Net assets		797,189	634,791
Capital and reserves			
Called up share capital	10	1,052	1,052
Share premium		249,948	249,948
Retained earnings (restated - see note 12)	12	546,189	383,791
Shareholders' funds		797,189	634,791

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 13 to 21 form an integral part of these financial statements.

Approved by the Board on 25 July 2023 and signed on its behalf by:

G. J. Sharpe

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Gareth Sharpe
Director

Registered number: 06644359

Statement of changes in equity

For the year ended 31 July 2022

	Called up share capital	Share premium	Retained earnings	Total
	£	£	£	£
At 1 August 2021 (restated - see note 12)	1,052	249,948	383,791	634,791
Total comprehensive income	-	-	552,398	552,398
Dividends Paid	-	-	(390,000)	(390,000)
At 31 July 2022	1,052	249,948	546,189	797,189

For the year ended 31 July 2021 (Restated)

	Called up share capital	Share premium	Retained earnings	Total
	£	£	£	£
At 1 August 2020 (see note 12)	1,052	249,948	401,710	652,710
Total comprehensive income	-	-	(17,919)	(17,919)
Dividends paid	-	-	-	-
At 31 July 2021	1,052	249,948	383,791	634,791

The notes on pages 13 to 21 form an integral part of these financial statements.

Notes to the financial statements for the year ended 31 July 2022

1. Accounting policies

General information and basis of preparation

Equinoxe Solutions Limited ("the Company") is a private company limited by share capital, incorporated, and registered in England & Wales and domiciled in England. The registered number is 06644359, and as of the financial statements signing date it is a subsidiary of Foodbuy Europe Limited. It's registered address is now: Parklands Court, 24 Parklands, Birmingham Great Park, Rubery, Birmingham, B45 9PZ, United Kingdom. At the year ended 31 July 2022, Equinoxe Solutions Limited's registered address was 77 Chapel Street, Billericay, Essex, CM12 9LR.

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 FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Certain comparative amounts in the statement of profit or loss and OCI have been restated, the impact on the primary statements is detailed in note 12. The remainder of the accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Basis of measurement

The financial statements have been prepared on a historical cost basis.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The company is expected to continue to generate positive cash flows on its own account for the forseeable future, and the Directors confirm that there is no intention to cease operations. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, the company will have sufficient funds to meet its liabilities as they fall due for that period. Though these forecasts are not dependent on Foodbuy Europe Limited providing additional financial support during that period, the support is there if required. The directors, having assessed the responses of the directors of the company's parent, Foodbuy Europe Limited, to their enquiries, have no reason to believe that a material uncertainty exists, which may cast significant doubt about the ability of Equinoxe Solutions Limited to continue as a going concern.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Functional and presentation currency

These financial statements are presented in Sterling, which is the Company's functional currency. All financial information presented in Sterling has been rounded to the nearest pound, except when otherwise indicated.

Use of estimates and judgements

The preparation of the financial statements in conformity with FRS 102 1A requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These judgements and estimates are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The Directors no not consider there to be any key judgements or estimates in the preparation of these financial statements.

Notes to the financial statements for the year ended 31 July 2022 (continued)

1. Accounting policies (continued)

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Non-derivative financial liabilities

All financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligation are discharged, cancelled or expire.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method..

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Employee benefits

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

Notes to the financial statements for the year ended 31 July 2022 (continued)

1. Accounting policies (continued)

Tangible assets (continued)

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

The following rates applied for the Company:

Asset class	Depreciation rate
Fixtures, fittings and equipment	25% reducing balance
Computer equipment	33% reducing balance

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

Revenue

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.

Government grants

Government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, [associates, branch, joint ventures] to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Expenses

Financing income and expenses

Financing expenses comprise interest payable. Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established.

Defined contribution pension obligation

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

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Notes to the financial statements for the year ended 31 July 2022 (continued)

1. Accounting policies (continued)

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Company. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at fair value of the leased asset (or, if lower, the present value of the minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Company recognises annual rental expense equal to amounts owed to the lessor.

The lease liability is measured at the present value of the lease payments that are reasonably certain and not paid at the commencement date, discounted at the lessee's incremental borrowing rate specific to the term, country and start date of the lease. The lease liability is subsequently measured at amortised cost using the effective interest method. The lease liability is remeasured, with a corresponding adjustment to the right of use asset, by discounting the revised lease payments as follows:

Notes to the financial statements for the year ended 31 July 2022 (continued)

2. Turnover

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

3 Operating profit

Operating profit is arrived at after charging/(crediting):	2022	Restated 2021
	£	£
Depreciation of tangible fixed assets	4,460	6,270
Government grants - CJRS scheme receipts	(37,598)	(265,877)
Government grants - CJRS scheme repayments (see note 12)	9,699	91,806

The Coronavirus Job Retention Scheme (CJRS scheme) was a temporary scheme designed to help employers whose operations were affected by coronavirus to retain their employees. The scheme was active from March 2020 to September 2021. The repayment of £101,505 was due to an overclaims made that were discovered and later rectified (see note 12), the repayment was in relation to the following years: 2022: £9,699, 2021: £62,382 & 2020: £29,424. JRS Scheme receipts were originally recognised within turnover in the financial statements for the years ended 2021 and 2020, these have been restated (see note 12) to be shown in other income, in line with the classification in 2022.

4. Employee numbers

The average number of persons employed by the company during the period amount to 16 (2021: 16)

5. Interest receivable and similar income

	2022	2021
	£	£
Bank interest receivable	73	32
	73	32

6. Income tax

Tax charged/(credited) in the income statement account	2022	Restated 2021
	£	£
Current Taxation		
UK Corporation tax	118,443	58,175
	118,443	58,175

The tax assessed for the period is lower (2021: higher) than the standard effective rate of corporation tax in the UK for the year ended 31 July 2022 of 19% (2021: 19%). The differences are explained below:

The differences are reconciled below:	2022	Restated 2021
	£	£
Profit before tax (see note 12)	670,841	40,256
Corporation tax at standard rate	127,460	7,649
Expenses not deductible for tax purposes	8,473	17,326
Temporary timing difference	(46)	379
Adjustment in respect of previous years	(17,443)	32,821
Total tax charge (see note 12)	118,443	58,175

Notes to the financial statements for the year ended 31 July 2022 (continued)

7. Tangible fixed assets

	Fixtures, fittings & furniture £	Computer Equipment £	Total £
Cost			
At 1 August 2021	6,896	43,299	50,195
Additions	-	3,619	3,619
At 31 July 2022	6,896	46,918	53,814
Depreciation			
At 1 August 2021	5,112	32,353	37,465
Charge for the year	446	4,014	4,460
At 31 July 2022	5,558	36,367	41,925
Carrying amount			
At 31 July 2022	1,338	10,551	11,889
At 31 July 2021	1,784	10,946	12,730

As at the year ended 31 July 2021 the tangible fixed assets were all classified as Plant & Machinery. This has been expanded in the current year to show the distinct fixed asset categories in line with the accounting policies. There has been no change in the underlying categorisation of the assets during the year or the depreciation policies applied to those assets.

8. Debtors

	2022 £	Restated 2021 £
Trade debtors	430,283	408,932
Accrued income (restated - see note 12)	176,772	106,181
Other debtors	60,587	-
	667,642	515,113

9. Creditors: Amounts falling due within one year

	2022 £	Restated 2021 £
Trade Creditors	29,176	40,357
Deferred income and accruals (restated - see note 12)	50,631	21,152
Bank loans	-	250,000
Other taxes and social security (restated - see note 12)	298,010	150,640
Corporation tax (restated - see note 12)	120,349	58,175
Other creditors	-	5,202
	498,166	525,526

10. Share capital

Allotted, called up and fully paid shares

	No.	31 July 2022 £	No.	31 July 2021 £
1,052 ordinary shares of £1 each	1,052	1,052	1,052	1,052

Notes to the financial statements for the year ended 31 July 2022 (continued)

11. Post balance sheet events

On 31 August 2022, Equinoxe Solutions Limited was acquired through the purchase of ordinary shares by Foodbuy Europe Limited.

The ultimate parent and controlling party is Compass Group PLC. This is the largest and smallest group into which the Company is consolidated.

The only group of undertakings for which group accounts are drawn up and of which the company is a member is Compass Group PLC. Copies of the group accounts referred to above can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

12 Prior year adjustment

(a) Overclaim of Coronavirus Job Retention Scheme (CJRS) Grants

During the period from March 2020 to September 2021, the Company identified an overclaim of Coronavirus Job Retention Scheme (CJRS) grants, resulting in an overstatement of grant income. As a consequence, the Company is required to make a repayment for these overclaims. The total overclaim amounted to £101,505, of which £91,806 relates to prior periods, this was repaid in January 2023. The overstatement arose by mistake due to the incorrect reference period being used for the basis of the calculation.

Furthermore, it was identified that prior year CJRS income was erroneously classified within the turnover line. To maintain consistency with the treatment in the current year, the prior year's CJRS income has been restated and reclassified as "Other Income" in the current year. The impact of these adjustments on the primary statements is presented in Tables (i)-(iii).

(b) Recognition of Accrued and Deferred Income

Previously, the Company followed a cash accounting method and had not recognized any accrued or deferred income on its revenue. In addition to this, the Company also had not recognised accrued expenditure on commissions due to suppliers. Upon reassessment, it has been determined that recognition of these balances is necessary. The impact of these adjustments on the primary statements is presented in Tables (i)-(iii).

Management has reviewed and approved the adjustments made, considering them to be necessary and appropriate in order to rectify the errors identified in the financial statements for the current and prior years.

(c) Reclassification of commissions to suppliers

As per our review of the financial statements prepared in accordance with FRS 102, we have identified a prior year adjustment relating to the reclassification of commissions due to suppliers from administrative expenses to cost of sales. This adjustment affects both the 2022 and 2021 financial statements.

The nature of certain expenditure incurred by the company has been reassessed, leading to a conclusion that it aligns more closely with cost of sales rather than administrative expenses. Therefore, to remain consistent with the conclusion in 2022 the commissions due to suppliers is to be included in cost of sales, 2021 has been adjusted accordingly.

(d) Taxation Impacts on (a - c)

In light of the above prior year adjustments, specifically pertaining to the recognition of accrued and deferred income, it is important to note that these adjustments have had a direct impact on the reported profit before tax. Consequently, these adjustments have resulted in a revision of the corporation tax liability for the accounting periods ending in 2021 and 2022.

Notes to the financial statements for the year ended 31 July 2022 (continued)

12 Prior year adjustment (continued)

(i) Income statement

For the year ended 31 July 2021

	As previously reported	Adjustment (a)	Adjustment (b)	Adjustment (c)	Adjustment (d)	As restated
	£	£	£	£	£	£
Turnover	1,274,651	(265,877)	9,321	-	-	1,018,095
Cost of sales	(18,587)	-	(5,229)	(99,158)	-	(122,974)
Administrative expenses	(1,053,126)	-		99,158	-	(953,968)
Other income	-	174,071	-	-	-	174,071
Profit before tax	**127,970**	**(91,806)**	**4,092**	-	-	**40,256**
Corporation tax	(56,269)	-	-	-	(1,906)	(58,175)
Profit for the financial year	**71,701**	**(91,806)**	**4,092**	-	**(1,906)**	**(17,919)**
Total comprehensive income	**71,701**	**(91,806)**	**4,092**	-	**(1,906)**	**(17,919)**

(ii) Balance sheet

As at 31 July 2021

	As previously reported	Adjustment (a)	Adjustment (b)	Adjustment (c)	Adjustment (d)	As restated
	£	£	£	£	£	£
Accrued income	-	-	106,181	-	-	106,181
Debtors	**408,932**	-	**106,181**	-	-	**515,113**
Deferred income and accruals	-	-	(21,152)	-	-	(21,152)
Corporation tax	(56,269)	-	-	-	(1,906)	(58,175)
Other taxes and social security	(58,834)	(91,806)	-	-	-	(150,640)
Creditors	**(410,662)**	**(91,806)**	**(21,152)**	-	**(1,906)**	**(525,526)**
Retained earnings	392,474	(91,806)	85,029	-	(1,906)	383,791
Shareholders' funds	**643,474**	**(91,806)**	**85,029**	-	**(1,906)**	**634,791**

(iii) Statement of changes in equity

For the year-ended 31 July 2021 & 31 July 2022

	Called up share capital	Share premium	Retained earnings	Total
	£	£	£	£
Balance as at 1 August 2020 previously reported	1,052	249,948	320,773	571,773
Impact of adjustment (a)	-	-	-	-
Impact of adjustment (b)	-	-	80,937	80,937
Impact of adjustment (c)	-	-	-	-
Impact of adjustment (d)	-	-	-	-
Restated balance at 1 August 2020	**1,052**	**249,948**	**401,710**	**652,710**
Total comprehensive income for the period				
Profit for the period previously reported	-	-	71,701	71,701
Impact of adjustment (a)	-	-	(91,806)	(91,806)
Impact of adjustment (b)	-	-	4,092	4,092
Impact of adjustment (c)	-	-	-	-
Impact of adjustment (d)	-	-	(1,906)	(1,906)
Profit for the period (restated)	-	-	**(17,919)**	**(17,919)**
Dividends paid	-	-	-	-
Restated balance as at 31 July 2021	**1,052**	**249,948**	**383,791**	**634,791**
Profit for the period	-	-	552,398	552,398
Dividends paid	-	-	(390,000)	(390,000)
Balance as at 31 July 2022	**1,052**	**249,948**	**546,189**	**797,189**

Notes to the financial statements for the year ended 31 July 2022 (continued)

13 Related party transactions

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

	Transactions		Balance owed by/(owed to)	
	2022	2021	2022	2021
	£	£	£	£
Equinoxe Services Limited - common directorships	48,100	37,322	-	-