
Delamere Dairy Holdings Limited

Annual Report and Consolidated Financial Statements

For the Year Ended 31 December 2021

Delamere Dairy Holdings Limited

Company Information

Directors	E J Salt E A Sutton
Company secretary	Mrs E A Sutton
Registered number	06714144
Registered office	Yew Tree Farm Bexton Lane Knutsford Cheshire WA16 9BH
Independent auditors	Hurst Accountants Limited Chartered Accountants & Statutory Auditors Lancashire Gate 21 Tiviot Dale Stockport Cheshire SK1 1TD

Delamere Dairy Holdings Limited

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**Group Strategic Report
For the Year Ended 31 December 2021**

Introduction

The directors present their Group Strategic Report together with the audited financial statements for the year ended 31 December 2021.

Business review

The principal activity of the Group in the year under review was that of dairy product traders, specialising in goats' and cows' milk products and a range of plant based dairy alternatives.

Turnover decreased in 2021 by 9% to £29.085m (2020: £31.913m) due largely to a significant decrease in trade into the EU post Brexit (primarily due to the administrative requirements needed to operate within the EU). Increasing sales in other areas and strategic changes within the group's product mix will see turnover in 2022 bounce back and surpass both 2021 and 2020 levels. Operating profit decreased by 25% to £0.637m due to the reduction in turnover and also due to supplier cost increases in the final quarter of 2021. Group EBITDAE decreased from £1.363m in 2020 to 1.155m in 2021.

In the backdrop of Covid-19 and the evolving post Brexit developments, increased sales were achieved in the UK market due a prominently retail focused customer base, a deepening of distribution within key customers and new product development. Sustained growth in the pet, alternative dairy and the sterilised drinks market cemented the brand within the convenience sector. Delamere Dairy's export sales to Rest of the World grew (18%), with notable increases in Australia and the Middle East. Delamere Dairy continues to invest in building relationships in these and new territories. For this reason, Delamere Dairy's supply and distribution chain remains under continuous strategic review.

Continued investment in new product development will continue to deliver new turnover with several new multiple retailers launches agreed for 2022, further strengthening UK sales.

During 2021, along with its growing focus on sustainability, Delamere Dairy reviewed its environmental, social and governance (ESG) position. Delamere Dairy incorporated a Charitable Foundation (Delamere Dairy Foundation) during 2020 and charitable donations in 2021 totalled £278k.

The Group continued to make timely interest and capital repayments throughout 2021 on the £1.65m term loan taken from Santander in April 2019, the final repayment being made in 2024.

Principal risks and uncertainties

At the time of writing this report, partly due to the ongoing Covid-19 pandemic, partly due to the administrative requirements needed to operate within the EU and more significantly the supply chain disruption and price pressure created by the war in Ukraine we again find ourselves in unusual circumstances. However, we can confirm that, at this time, the business continues to perform well and that risks have been evaluated to ensure that staff, contractors, and investments are protected and that the Group remains a going concern and able to service its liabilities.

The Group's revenues are principally derived from retail markets. These markets, and therefore Group revenues, can be subject to variations in patterns of demand and are largely influenced by political / economic growth and consumer confidence. In response to this risk, the directors keep up to date with local and wider economic conditions and can adapt the pricing strategy and cost base of the Group accordingly.

The Group continues to seek new markets and categories to facilitate growth. In addition to the close management of credit risk and contractual arrangements, this risk is managed by ensuring the core UK business remains profitable and vibrant.

**Group Strategic Report (continued)
For the Year Ended 31 December 2021**

Financial risk management

The Group's operations expose it to a variety of financial risks that include the effects of price risk, credit risk, liquidity risk, interest rate risk and foreign exchange rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring the factors that affect each of these risks.

Price risk

The Group is exposed to changes in the market prices of its products, both from an input and sales perspective. In order to protect against adverse price movements, Delamere Dairy is frequently reviewing its agreements with suppliers to ensure these are on commercially favourable terms.

Credit risk

Credit risk is managed by running credit checks on new customers and by monitoring payments against the contractual arrangements.

Liquidity and interest rate risk

The Group's bank loan and invoice discounting facility bears interest at a rate which changes in respect to changes in LIBOR, thereby exposing the Company to measured risk on adverse movements in that rate.

Foreign exchange risk

The Group maintains a natural hedge through the use of foreign currency bank accounts with sales and purchases made in foreign currencies. The Board monitors the net exposure and uses appropriate bank facilities, such as forward contracts, to limit the effects on the financial performance of the Group to such exposure. The Group buys a significant proportion of its products in Euros. FX exposure is managed both by implementing a minimum 3 month Euro forward contracts policy.

Financial key performance indicators

We monitor a number of KPI's within the business though consider our key financial performance indicators, being the operating profit and control of cashflow.

The Group's operating profit for the year was £0.64m (2020: £0.85m) and the Group has closely monitored cashflow throughout the period. Cash at bank and in hand totalled £11k at 31 December 2021 (2020: £53k), with net cash generated from operating activities totalling £484k, net cash used in investment activities totalling £217k and net cash used in financing activities totalling £309k.

Other key performance indicators

Non-financial key performance indicators are numerous but centre on employee workforce management, quality and health & safety.

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

E J Salt
Director

Date: 3 August 2022

Delamere Dairy Holdings 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' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £401,628 (2020 - £548,053).

Dividends of £300,000 (2020: £350,000) were declared and paid during the year. The directors do not recommend the payment of a final dividend.

Directors

The directors who served during the year were:

E J Salt
E A Sutton

Future developments

Information on likely future developments has been included in the Strategic Report.

Research and development activities

The Group continues to invest in research and development with the purpose of developing new products.

Delamere Dairy Holdings Limited

Directors' Report (continued)
For the Year Ended 31 December 2021

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

The auditors, Hurst Accountants Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

E J Salt

Director

Date: 3 August 2022

Independent Auditors' Report to the Members of Delamere Dairy Holdings Limited

Opinion

We have audited the financial statements of Delamere Dairy Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditors' Report to the Members of Delamere Dairy Holdings Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the Members of Delamere Dairy Holdings Limited (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities

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

- The nature of the industry and sector in which the company operates; the control environment and business performance including key drivers for directors' remuneration, bonus levels and performance targets.
- The outcome of enquiries of management, including whether management was aware of any instances of non-compliance with laws and regulations, and whether management had knowledge of any actual, suspected, or alleged fraud.
- Supporting documentation relating to the Company's policies and procedures for:
 - Identifying, evaluating, and complying with laws and regulations
 - Detecting and responding to the risks of fraud
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- The outcome of discussions amongst the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- The legal and regulatory framework in which the Company operates, particularly those laws and regulations which have a direct effect on the financial statements, such as the Companies Act 2006, pensions and tax legislation, or which had a fundamental effect on the operations of the Company, including General Data Protection requirements, and Anti-bribery and Corruption, the Health and Safety at Work Act 1974 and the Food Safety And Hygiene (England) Regulations 2013.

Audit response to risks identified

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with the provisions of those relevant laws and regulations which have a direct effect on the financial statements.
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities.
- Enquiring of management about any actual and potential litigation and claims.
- Performing analytical procedures to identify any unusual or unexpected relationships which may indicate risks of material misstatement due to fraud.

Independent Auditors' Report to the Members of Delamere Dairy Holdings Limited (continued)

We have also considered the risk of fraud through management override of controls by:

- Testing the appropriateness of journal entries and other adjustments. We have used data analytics software to identify accounting transactions which may pose a heightened risk of material misstatement, whether due to fraud or

error.

- Challenging assumptions made by management in their significant accounting estimates, and 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.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of them. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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

Helen Besant-Roberts (Senior Statutory Auditor)

for and on behalf of

Hurst Accountants Limited

Chartered Accountants

Statutory Auditors

Lancashire Gate

21 Tiviot Dale

Stockport

Cheshire

SK1 1TD

4 August 2022

Delamere Dairy Holdings Limited

**Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2021**

	Note	2021 £	2020 £
Turnover	4	29,084,688	31,912,502
Cost of sales		<u>(25,468,494)</u>	<u>(28,085,288)</u>
Gross profit		3,616,194	3,827,214
Administrative expenses		<u>(2,979,242)</u>	<u>(2,981,509)</u>
Operating profit	5	636,952	845,705
Interest receivable and similar income	9	5,000	-
Interest payable and similar expenses	10	<u>(55,624)</u>	<u>(66,600)</u>
Profit before taxation		586,328	779,105
Tax on profit	11	<u>(184,700)</u>	<u>(231,052)</u>
Profit for the financial year		<u>401,628</u>	<u>548,053</u>
Profit and Total comprehensive income for the year attributable to:			
Owners of the parent Company		<u>401,628</u>	<u>548,053</u>

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 16 to 36 form part of these financial statements.

Delamere Dairy Holdings Limited
Registered number: 06714144

Consolidated Balance Sheet
As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	13	693,050	1,173,740
Tangible assets	14	92,443	57,381
Investments	15	906,982	756,982
		<u>1,692,475</u>	<u>1,988,103</u>
Current assets			
Stocks	16	1,654,349	1,512,128
Debtors: amounts falling due after more than one year	17	-	32,500
Debtors: amounts falling due within one year	17	3,287,010	2,943,168
Cash at bank and in hand	18	11,175	53,016
		<u>4,952,534</u>	<u>4,540,812</u>
Creditors: amounts falling due within one year	19	(4,032,352)	(3,700,463)
Net current assets		<u>920,182</u>	<u>840,349</u>
Total assets less current liabilities		<u>2,612,657</u>	<u>2,828,452</u>
Creditors: amounts falling due after more than one year	20	(431,750)	(761,750)
Provisions for liabilities			
Deferred taxation	22	(13,406)	(829)
Net assets		<u><u>2,167,501</u></u>	<u><u>2,065,873</u></u>
Capital and reserves			
Called up share capital	23	710	710
Capital redemption reserve	24	290	290
Profit and loss account	24	2,166,501	2,064,873
Equity attributable to owners of the parent Company		<u><u>2,167,501</u></u>	<u><u>2,065,873</u></u>

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

E J Salt
Director

Date: 3 August 2022

The notes on pages 16 to 36 form part of these financial statements.

Delamere Dairy Holdings Limited
Registered number: 06714144

Company Balance Sheet
As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	15	7,025,300	6,875,300
Creditors: amounts falling due within one year	19	(6,173,204)	(5,673,263)
Net current liabilities		(6,173,204)	(5,673,263)
Total assets less current liabilities		852,096	1,202,037
Creditors: amounts falling due after more than one year	20	(431,750)	(761,750)
Net assets		420,346	440,287
Capital and reserves			
Called up share capital	23	710	710
Capital redemption reserve	24	290	290
Profit and loss account brought forward		439,287	468,963
Profit for the year		280,059	320,324
Dividends paid	12	(300,000)	(350,000)
Profit and loss account carried forward	24	419,346	439,287
		420,346	440,287

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

E J Salt
Director

Date: 3 August 2022

The notes on pages 16 to 36 form part of these financial statements.

Delamere Dairy Holdings Limited

**Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2021**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 January 2021	710	290	2,064,873	2,065,873	2,065,873
Comprehensive income for the year					
Profit for the year	-	-	401,628	401,628	401,628
Total comprehensive income for the year	-	-	401,628	401,628	401,628
Dividends: Equity capital	-	-	(300,000)	(300,000)	(300,000)
Total transactions with owners	-	-	(300,000)	(300,000)	(300,000)
At 31 December 2021	710	290	2,166,501	2,167,501	2,167,501

**Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2020**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 January 2020	710	290	1,866,820	1,867,820	1,867,820
Comprehensive income for the year					
Profit for the year	-	-	548,053	548,053	548,053
Total comprehensive income for the year	-	-	548,053	548,053	548,053
Dividends: Equity capital	-	-	(350,000)	(350,000)	(350,000)
Total transactions with owners	-	-	(350,000)	(350,000)	(350,000)
At 31 December 2020	710	290	2,064,873	2,065,873	2,065,873

The notes on pages 16 to 36 form part of these financial statements.

Delamere Dairy Holdings Limited

**Company Statement of Changes in Equity
For the Year Ended 31 December 2021**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 January 2021	710	290	439,287	440,287
Comprehensive income for the year				
Profit for the year	-	-	280,059	280,059
Total comprehensive income for the year	-	-	280,059	280,059
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(300,000)	(300,000)
Total transactions with owners	-	-	(300,000)	(300,000)
At 31 December 2021	710	290	419,346	420,346

**Company Statement of Changes in Equity
For the Year Ended 31 December 2020**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 January 2020	710	290	468,963	469,963
Comprehensive income for the year				
Profit for the year	-	-	320,324	320,324
Total comprehensive income for the year	-	-	320,324	320,324
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(350,000)	(350,000)
Total transactions with owners	-	-	(350,000)	(350,000)
At 31 December 2020	710	290	439,287	440,287

The notes on pages 16 to 36 form part of these financial statements.

Delamere Dairy Holdings Limited

**Consolidated Statement of Cash Flows
For the Year Ended 31 December 2021**

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	401,628	548,053
Adjustments for:		
Amortisation of intangible assets	500,144	500,665
Depreciation of tangible assets	17,761	16,435
Loss on disposal of tangible assets	-	163
Interest paid	55,624	66,600
Interest received	(5,000)	-
Taxation charge	184,700	231,052
(Increase)/decrease in stocks	(142,221)	15,233
(Increase)/decrease in debtors	(311,342)	132,884
Increase/(decrease) in creditors	13,523	(187,782)
Corporation tax (paid)	(230,887)	(226,354)
Net cash generated from operating activities	483,930	1,096,949
Cash flows from investing activities		
Purchase of intangible fixed assets	(19,454)	(7,665)
Purchase of tangible fixed assets	(52,823)	(30,275)
Sale of tangible fixed assets	-	101
Purchase of unlisted and other investments	-	(329,981)
Capital contribution made	(150,000)	-
Interest received	5,000	-
Net cash used in investing activities	(217,277)	(367,820)
Cash flows from financing activities		
Repayment of loans	(330,000)	(330,000)
Movements on invoice discounting	377,130	(252,917)
Dividends paid	(300,000)	(350,000)
Interest paid	(55,624)	(66,600)
Net cash used in financing activities	(308,494)	(999,517)
Net (decrease) in cash and cash equivalents	(41,841)	(270,388)
Cash and cash equivalents at beginning of year	53,016	323,404
Cash and cash equivalents at the end of year	11,175	53,016
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	11,175	53,016
	11,175	53,016

Delamere Dairy Holdings Limited

**Consolidated Analysis of Net Debt
For the Year Ended 31 December 2021**

	At 1 January 2021 £	Cash flows £	Other non-cash changes £	At 31 December 2021 £
Cash at bank and in hand	53,016	(41,841)	-	11,175
Debt due after 1 year	(761,750)	-	330,000	(431,750)
Debt due within 1 year	(330,000)	330,000	(330,000)	(330,000)
	<u>(1,038,734)</u>	<u>288,159</u>	<u>-</u>	<u>(750,575)</u>

The notes on pages 16 to 36 form part of these financial statements.

Delamere Dairy Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

1. General information

Delamere Dairy Holdings Limited is a private company incorporated in England and Wales, company number 06714144. The address of the registered office and the principal place of business is Yew Tree Farm, Bexton Lane, Knutsford, Cheshire, WA16 9BH.

The Company is a non-trading holding company. The nature of the group's operation and its principal activity is that of dairy product traders, specialising in goat's, cow's and sheep milk products and a range of plant based milk alternatives.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

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

Parent Company disclosure exemptions

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

- No Statement of Cash Flows has been presented for the parent Company.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

Notes to the Financial Statements
For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Invoices are raised and turnover recognised on the day that goods are delivered.

2.5 Operating leases: the Group as lessee

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

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

Notes to the Financial Statements
For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.10 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

Notes to the Financial Statements
For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.11 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.12 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life which is considered to be 10 years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years

Notes to the Financial Statements
For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocated the cost of assets less their residual value over their estimated useful lives. The methods used are as below.

Depreciation is provided on the following basis:

Plant and machinery	-	15%	reducing balance
Fixtures and fittings	-	25%	reducing balance
Improvements to property	-	10%	straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Unlisted investments are stated at historic cost less impairment.

2.15 Associates

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

Where material, in the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

Where investments in associates are not material to the group, they are recorded at cost in the consolidated financial statements of the group.

2.16 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Notes to the Financial Statements
For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.17 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.19 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.21 Financial instruments

With the exception of forward foreign exchange contracts, the Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

2. Accounting policies (continued)

2.21 Financial instruments (continued)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

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

2.22 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Notes to the Financial Statements
For the Year Ended 31 December 2021

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

In preparing these financial statements, the directors have had to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historic experience and various other factors that are believed to be reasonable under the circumstances. The results of which form the basis of making the judgements about carrying values of assets and liabilities and are not readily apparent from other sources. Actual results may differ from these estimates. The significant judgements, estimates and assumptions are:

Trade Debtors

The company has recognised trade debtors with a carrying value of £3,095,507 (2020: £2,811,280) At each reporting date, trade debtors are assessed for recoverability. If there is any evidence of impairment, the carrying amount of the debtor is reduced to its recoverable amount. The impairment loss is recognised immediately in the income statement.

Stock

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete. The impairment loss is recognised immediately in the income statement. At the year end, stock held by the company totalled £1,654,349 (2019: £1,512,128). Stock provisions at the year end totalled £25,918 (2020: £nil).

Derivative financial instruments

The company recognises foreign exchange derivatives in the statement of financial position at their fair value. Changes in fair value of derivatives are included in the statement of comprehensive income.

Goodwill and intangible assets

The Group establishes a reliable estimate of the useful life of goodwill and intangible assets acquired. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash

generating units to which the goodwill is attributed, any legal, regulatory or contractual provision is that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

At each reporting date, goodwill is assessed for any indicators of impairment. If there is any evidence of impairment, the carrying amount of the asset is reduced to its recoverable amount. The impairment loss is recognised immediately in the income statement. The carrying amount of goodwill at the year end was £646,070 (2020: £1,139,336).

4. Turnover

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

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	28,735,243	29,965,679
Rest of Europe	285,488	1,789,572
Rest of the world	63,957	157,251
	<u>29,084,688</u>	<u>31,912,502</u>

Delamere Dairy Holdings Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

5. Operating profit

The operating profit is stated after charging:

	2021	2020
	£	£
Depreciation of tangible fixed assets	17,761	16,435
Amortisation of intangible assets, including goodwill	500,144	500,665
Exchange differences	(169,712)	168,127
Other operating lease rentals	<u>55,538</u>	<u>60,271</u>

6. Auditors' remuneration

	2021	2020
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>16,275</u>	<u>15,500</u>

Fees payable to the Group's auditor and its associates in respect of:

Taxation compliance services	4,725	4,500
Other services relating to taxation	<u>2,000</u>	<u>-</u>
	<u>6,725</u>	<u>4,500</u>

Delamere Dairy Holdings Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Wages and salaries	1,126,788	1,122,353	-	-
Social security costs	119,308	119,467	-	-
Cost of defined contribution scheme	194,603	106,230	-	-
	<u>1,440,699</u>	<u>1,348,050</u>	<u>-</u>	<u>-</u>

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

	Group 2021 No.	<i>Group 2020 No.</i>	Company 2021 No.	<i>Company 2020 No.</i>
Administration	<u>28</u>	<u>25</u>	<u>2</u>	<u>2</u>

8. Directors' remuneration

	2021 £	<i>2020 £</i>
Directors' emoluments	231,982	232,725
Company contributions to defined contribution pension schemes	1,319	1,314
	<u>233,301</u>	<u>234,039</u>

During the year retirement benefits were accruing to 1 director (2020 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £191,353 (2020 - £192,192).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,319 (2020 - £1,314).

9. Interest receivable

	2021 £	<i>2020 £</i>
Other interest receivable	<u>5,000</u>	<u>-</u>

Delamere Dairy Holdings Limited

Notes to the Financial Statements
For the Year Ended 31 December 2021

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	19,941	29,676
Invoice discounting charges	35,683	36,924
	<u>55,624</u>	<u>66,600</u>

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	172,123	230,228
	<u>172,123</u>	<u>230,228</u>
Total current tax	<u>172,123</u>	<u>230,228</u>
Deferred tax		
Origination and reversal of timing differences	12,577	824
Total deferred tax	<u>12,577</u>	<u>824</u>
Taxation on profit on ordinary activities	<u>184,700</u>	<u>231,052</u>

Delamere Dairy Holdings Limited

Notes to the Financial Statements
For the Year Ended 31 December 2021

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>586,328</u>	<u>779,105</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	111,402	148,030
Effects of:		
Non-tax deductible amortisation of goodwill	93,721	93,721
Expenses not deductible for tax purposes, other than goodwill amortisation	732	787
Depreciation on ineligible assets	268	34
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(21,281)	(11,503)
Other differences leading to an increase (decrease) in the tax charge	(142)	(17)
Total tax charge for the year	<u>184,700</u>	<u>231,052</u>

Factors that may affect future tax charges

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing Covid-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023.

12. Dividends

	2021 £	2020 £
Dividends paid on equity capital	<u>300,000</u>	<u>350,000</u>

Delamere Dairy Holdings Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

13. Intangible assets

Group

	Patents	Goodwill	Total
	£	£	£
Cost			
At 1 January 2021	80,828	4,959,664	5,040,492
Additions	19,454	-	19,454
At 31 December 2021	<u>100,282</u>	<u>4,959,664</u>	<u>5,059,946</u>
Amortisation			
At 1 January 2021	46,424	3,820,328	3,866,752
Charge for the year on owned assets	6,878	493,266	500,144
At 31 December 2021	<u>53,302</u>	<u>4,313,594</u>	<u>4,366,896</u>
Net book value			
At 31 December 2021	<u><u>46,980</u></u>	<u><u>646,070</u></u>	<u><u>693,050</u></u>
<i>At 31 December 2020</i>	<u><u>34,404</u></u>	<u><u>1,139,336</u></u>	<u><u>1,173,740</u></u>

Goodwill which arose upon the acquisition by the Company of Delamere Dairy Limited has a carrying value of £520,070 (2020: £985,336) and a remaining amortisation period of 13 months.

Goodwill also includes an amount relating to contracts purchased in 2016. The carrying amount at 31 December is £126,000 (2020: £154,000) and the remaining amortisation period is 4.5 years.

Company

The company has no intangible fixed assets.

Delamere Dairy Holdings Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

14. Tangible fixed assets

Group

	Plant and machinery £	Fixtures and fittings £	Improve-ments to properties £	Total £
Cost or valuation				
At 1 January 2021	59,322	146,372	81,455	287,149
Additions	24,270	2,228	26,325	52,823
At 31 December 2021	<u>83,592</u>	<u>148,600</u>	<u>107,780</u>	<u>339,972</u>
Depreciation				
At 1 January 2021	42,508	121,036	66,224	229,768
Charge for the year on owned assets	5,556	6,639	5,566	17,761
At 31 December 2021	<u>48,064</u>	<u>127,675</u>	<u>71,790</u>	<u>247,529</u>
Net book value				
At 31 December 2021	<u>35,528</u>	<u>20,925</u>	<u>35,990</u>	<u>92,443</u>
<i>At 31 December 2020</i>	<u>16,814</u>	<u>25,336</u>	<u>15,231</u>	<u>57,381</u>

Company

The company has no tangible fixed assets.

Delamere Dairy Holdings Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

15. Fixed asset investments

Company

	Investments in subsidiary companies	Investments in associates	Unlisted investments	Total
	£	£	£	£
Cost or valuation				
At 1 January 2021	6,118,318	427,001	329,981	6,875,300
Additions	-	150,000	-	150,000
At 31 December 2021	<u>6,118,318</u>	<u>577,001</u>	<u>329,981</u>	<u>7,025,300</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Delamere Dairy Limited	Yew Tree Farm, Bexton Lane, Knutsford, Cheshire, WA16 9BH	Dairy product traders	Ordinary	100 %

Associates

The following were associates of the Company:

Name	Registered office	Class of shares	Holding
Cabrito Goat Meat Limited	Century House, Nicholson Road, Torquay, Devon	Ordinary	30 %
Ormerod Partnership LLP	Ash Tree Barn, West Marton, Skipton, North Yorkshire	Partnership	37.5 %

The Company's share of profit or loss has not been disclosed as it is not considered to be material to the financial statements.

Unlisted investments

The company also holds 4% of the share capital of Framptons Limited and 8% of the share capital of Billy Tannery Limited.

Delamere Dairy Holdings Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

16. Stocks

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Raw materials and consumables	26,931	<i>44,695</i>	-	-
Finished goods and goods for resale	1,627,418	<i>1,467,433</i>	-	-
	<u>1,654,349</u>	<i><u>1,512,128</u></i>	<u>-</u>	<i><u>-</u></i>

An impairment loss of £25,918 (2020 - £nil) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

17. Debtors

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Due after more than one year				
Other debtors	<u>-</u>	<i><u>32,500</u></i>	<u>-</u>	<i><u>-</u></i>
Due within one year				
Trade debtors	3,095,507	<i>2,811,280</i>	-	-
Other debtors	58,586	<i>82,092</i>	-	-
Prepayments and accrued income	132,917	<i>49,796</i>	-	-
	<u>3,287,010</u>	<i><u>2,943,168</u></i>	<u>-</u>	<i><u>-</u></i>

An impairment charge in the year of £7,891 (2020: £nil) was recognised in respect of bad and doubtful trade debtors.

18. Cash and cash equivalents

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Cash at bank and in hand	<u>11,175</u>	<i><u>53,016</u></i>	<u>-</u>	<i><u>-</u></i>

Delamere Dairy Holdings Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

19. Creditors: Amounts falling due within one year

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Bank loans	330,000	330,000	330,000	330,000
Trade creditors	2,290,447	2,231,659	-	-
Amounts owed to group undertakings	-	-	5,843,204	5,343,263
Corporation tax	80,692	139,456	-	-
Other taxation and social security	31,972	29,131	-	-
Invoice discounting facility	926,253	549,123	-	-
Accruals and deferred income	372,988	421,094	-	-
	<u>4,032,352</u>	<u><i>3,700,463</i></u>	<u>6,173,204</u>	<u><i>5,673,263</i></u>

The invoice discounting facility is secured by means of a fixed and floating charge over the Group's book debts.

Bank loans are secured by means of a fixed and floating charge over the group's assets.

20. Creditors: Amounts falling due after more than one year

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Bank loans	<u>431,750</u>	<u><i>761,750</i></u>	<u>431,750</u>	<u><i>761,750</i></u>

Bank loans are secured by means of a fixed and floating charge over the group's assets.

Delamere Dairy Holdings Limited

Notes to the Financial Statements
For the Year Ended 31 December 2021

21. Loans

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Amounts falling due within one year				
Bank loans	330,000	<i>330,000</i>	330,000	<i>330,000</i>
	330,000	<i>330,000</i>	330,000	<i>330,000</i>
Amounts falling due 1-2 years				
Bank loans	330,000	<i>330,000</i>	330,000	<i>330,000</i>
	330,000	<i>330,000</i>	330,000	<i>330,000</i>
Amounts falling due 2-5 years				
Bank loans	101,750	<i>431,750</i>	101,750	<i>431,750</i>
	101,750	<i>431,750</i>	101,750	<i>431,750</i>
	761,750	<i>1,091,750</i>	761,750	<i>1,091,750</i>

The bank loans are repayable in monthly instalments of £27,500 until March 2024. Interest is charged at 2.05% plus LIBOR per annum.

Delamere Dairy Holdings Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

22. Deferred taxation

Group

	2021	<i>2020</i>
	£	<i>£</i>
Liability at 1 January 2021	829	<i>5</i>
Charged to the profit or loss	12,577	<i>824</i>
Liability at 31 December 2021	<u>13,406</u>	<i><u>829</u></i>

The provision for deferred taxation is made up as follows:

	Group	<i>Group</i>
	2021	<i>2020</i>
	£	<i>£</i>
Accelerated capital allowances	13,406	<i>10,329</i>
Pension surplus	-	<i>(9,500)</i>
	<u>13,406</u>	<i><u>829</u></i>

Delamere Dairy Holdings Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

23. Share capital

	2021	<i>2020</i>
	£	£
Allotted, called up and fully paid		
71,000 (2020 - 71,000) Ordinary shares of £0.01 each	<u>710</u>	<u><i>710</i></u>

All shares rank pari passu..

As at 31 December 2021 there were 7,632 (2020: 7,632) options outstanding that had been granted over ordinary shares in the company under EMI Schemes.

In March 2014, 8,084 options were granted at an exercise price of £0.01. The options may be exercised upon sale of the Company or flotation of the Company's shares. 452 of the options lapsed in prior periods, leaving 7,632 remaining.

No share based payment has been recognised in the statement of comprehensive income on the basis that it would be immaterial.

24. Reserves

Capital redemption reserve

The capital redemption reserve includes shares that were bought back and subsequently cancelled.

Profit and loss account

Profit and loss account represents cumulative profits or losses net of dividends paid.

25. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £194,603 (2020: £106,230). Contributions totalling £nil (2020: £50,000) were payable to the fund at the balance sheet date

26. Commitments under operating leases

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group	<i>Group</i>
	2021	<i>2020</i>
	£	£
Not later than 1 year	43,536	<i>48,640</i>
Later than 1 year and not later than 5 years	54,703	<i>69,089</i>
	<u>98,239</u>	<u><i>117,729</i></u>

Delamere Dairy Holdings Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

27. Related party transactions

The Directors of the Company have chosen not to disclose transactions entered into between wholly owned group undertakings, as permitted by FRS 102 paragraph 33.1A.

Transactions during the year and outstanding balances with related parties were as follows:

	2021	2020
	£	£
Purchases from related parties	4,854,327	5,757,573
Sales to related parties	(2,018)	(153,738)
Loan balances owed by related parties at 31 December	10,000	62,500
Creditor balances owed to related parties at 31 December	(567,802)	(444,517)
Donations made to related parties	<u>260,271</u>	<u>251,626</u>

Donations include £257,995 paid to Delamere Dairy Foundation, a charity for which the Company's directors act as Trustees.

Key management personnel compensation totals £673,112 (2020: £589,291).

28. Controlling party

The company is considered to be under the control of E J Salt, by virtue of his majority shareholding.

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.