

World Feeds Limited
Company Registration Number 09538052
Annual Report and Unaudited Accounts
Year ended 31 December 2020



Balance Sheet	1
Notes to the Accounts	2 to 8

	Note	2020 £	2019 £
Fixed assets			
Intangible fixed assets	4	121,675	129,092
Tangible fixed assets	5	349,115	127,285
Investments	6	<u>1</u>	<u>1</u>
		470,791	256,378
Current assets			
Stocks		118,773	134,006
Debtors	7	219,785	146,619
Cash at bank and in hand		<u>175,671</u>	<u>52,594</u>
		514,229	333,219
Creditors: Amounts falling due within one year	8	<u>(703,711)</u>	<u>(336,468)</u>
Net current liabilities		<u>(189,482)</u>	<u>(3,249)</u>
Total assets less current liabilities		281,309	253,129
Creditors: Amounts falling due after more than one year	8	<u>(134,871)</u>	<u>(270,108)</u>
Net assets/(liabilities)		<u>146,438</u>	<u>(16,979)</u>
Capital and reserves			
Called up share capital	10	650,007	400,007
Profit and loss account		<u>(503,569)</u>	<u>(416,986)</u>
		<u>146,438</u>	<u>(16,979)</u>

For the year ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

These accounts and reports have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the profit and loss account has been taken.

These accounts were approved and authorised for issue by the Board on 23/03/2021 and signed on its behalf by:



P C Kersh

Director

1 General information

World Feeds Limited is a private company limited by shares and incorporated in England and Wales under company number 09538052.

The address of its registered office and principal place of business is:

3b Coulman Street
Thorne
Doncaster
South Yorkshire
DN8 5JS

2 Summary of significant accounting policies

Basis of preparation

The accounts have been prepared in accordance with applicable accounting standards including Section 1A of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS102) and the Companies Act 2006. The accounts have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

Going concern

The company meets its day to day working capital requirements through its available cash resources generated through trading activities.

The directors are of the opinion that the company has sufficient working capital available through its existing sources of finance to continue to operate at its expected level of business activity for the foreseeable future.

On the basis of their expectations of the company's trading prospects, the directors consider it appropriate to prepare the accounts on a going concern basis. The accounts do not include any adjustments that would result should the directors' expectations of the company's trading performance and resultant cash flows not be achieved. The presentation currency is £ sterling.

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

Group accounts not prepared

The company is part of a small group. The company has taken advantage of the exemption provided by Section 399 of the Companies Act 2006 and has not prepared group accounts..

Turnover

Turnover is measured at fair value of the consideration received or receivable, net of discounts and value added tax. Turnover includes revenue earned from the sale of goods and from the rendering of services.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually when the goods have been delivered to customers.

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. If at the balance sheet date completion of the contract is dependent on external factors, then the revenue is recognised only when the event occurs. In such cases direct costs incurred up to the balance sheet date plus an overhead rate are recognised as revenue to the extent that they are recoverable.

Government grants

Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred..

Pension contributions

The company has a defined contribution pension scheme. The pension costs charged to the profit and loss account are the contributions payable in respect of the accounting period.

Taxation

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

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the year using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is charged so as to allocate the cost of intangible assets less their residual values over their estimated useful lives. The annual rates and method of depreciation are as follows:-

Asset class	Amortisation method and rate
Goodwill	14% straight line basis
Trademarks	10% straight line basis
Development costs	25% straight line basis

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives. The annual rates and methods of depreciation are as follows:-

Asset class	Depreciation method and rate
Leasehold improvements	over life of lease
Plant and machinery	20% reducing balance basis
Furniture, fittings and equipment	25% straight line basis
Motor vehicles	25% reducing balance basis

Impairment of fixed assets

At the balance sheet date, if there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared to its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised in the profit and loss account. The reversal of an impairment loss is recognised immediately in the profit and loss account.

Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

Investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and an appropriate proportion of overhead expenses.

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 subsequently measured at amortised cost using the effective interest method, less any impairment.

Cash at bank and in hand

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

Creditors

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

Foreign currency

Transactions in foreign currency are translated at the spot rate at the date of the transactions. Assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at the balance sheet date. All exchange differences are taken to the profit and loss account.

Hire purchase and finance leases

Fixed assets acquired under finance leases and hire purchase contracts are included in the balance sheet at cost and an appropriate provision made for depreciation. The outstanding liabilities under such agreements less interest not yet due are included in creditors. Interest attributable to each period is charged to the profit and loss account.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

3 Employees

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

	2020 No.	2019 No.
Employees	<u>23</u>	<u>23</u>

4 Intangible assets

	Goodwill £	Trademarks £	Development costs £	Total £
Cost				
At 1 January 2020	72,567	21,440	135,830	229,837
Additions	-	11,289	25,200	36,489
At 31 December 2020	72,567	32,729	161,030	266,326
Amortisation				
At 1 January 2020	45,726	5,144	49,875	100,745
Charge for the year	10,164	2,662	31,080	43,906
At 31 December 2020	55,890	7,806	80,955	144,651
Net book value				
At 31 December 2019	26,841	16,296	85,955	129,092
At 31 December 2020	16,677	24,923	80,075	121,675

5 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2020	17,755	215,091	22,899	42,827	298,572
Additions	165,153	147,947	2,058	-	315,158
Disposals	-	-	-	(14,144)	(14,144)
At 31 December 2020	182,908	363,038	24,957	28,683	599,586
Depreciation					
At 1 January 2020	14,894	121,225	11,168	24,000	171,287
Charge for the year	32,084	51,371	4,577	5,296	93,328
Eliminated on disposal	-	-	-	(14,144)	(14,144)
At 31 December 2020	46,978	172,596	15,745	15,152	250,471
Net book value					
At 31 December 2019	2,861	93,866	11,731	18,827	127,285
At 31 December 2020	135,930	190,442	9,212	13,531	349,115

6 Fixed asset investments

	2020 £	2019 £
Investments in subsidiaries	<u>1</u>	<u>1</u>
Subsidiary undertaking		£
Cost		
At 1 January 2020		<u>1</u>
At 31 December 2020		<u>1</u>
Carrying amount		
At 31 December 2020		<u>1</u>
At 31 December 2019		<u>1</u>

Details of undertaking

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Subsidiary undertaking	Description of holding	Proportion of holding	Principal activity
WFL Holdco Limited	Ordinary shares	100%	Dormant company

7 Debtors

	2020 £	2019 £
Trade debtors	146,934	78,552
Other debtors	51,902	45,759
Prepayments	<u>20,949</u>	<u>22,308</u>
	<u>219,785</u>	<u>146,619</u>

8 Creditors:

Amounts falling due within one year

	2020 £	2019 £
Bank loan	5,833	-
Hire purchase contracts	30,228	9,842
Other loans	284,661	30,000
Trade creditors	191,668	121,578
Social security and other taxes	17,036	13,375
Other creditors	-	21,691
Invoice financing creditor	132,453	91,297
Accruals and deferred income	41,832	48,685
	<u>703,711</u>	<u>336,468</u>

Amounts falling due after more than one year

Other loans	-	254,660
Hire purchase contracts	90,704	15,448
Bank loan	44,167	-
	<u>134,871</u>	<u>270,108</u>

9 Security

Other loans totalling £284,661 (2019: £284,660) are secured by a fixed and floating charge over the assets of the company.

Hire purchase creditors totalling £120,932 (2019: £25,290) are secured by the finance company's title to the assets financed, which have a carrying value of £133,099 (2019: £36,849).

Amounts owed to the invoice financing creditor totalling £132,453 (2019: £91,297) are secured by a fixed and floating charge over the assets of the company.

The bank loan is unsecured.

10 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £00.01 each	650	6.50	650	6.50
Preferred A Ordinary shares of £01.00 each	434	434	434	434
Preference shares of £01.00 each	<u>649,566</u>	<u>649,566</u>	<u>399,566</u>	<u>399,566</u>
	<u>650,650</u>	<u>650,007</u>	<u>400,650</u>	<u>400,007</u>

All classes of shares rank pari passu except that:

Preferred A Ordinary shareholders are entitled to receive a cumulative net cash dividend equal to 14% of the company's net reported profit.

The voting rights attached to the Preferred A Ordinary shares equals 35% and the Ordinary shares equals 65% unless there is a material breach of the investment agreement at which point the Preferred A Ordinary shares shall have 100,000 votes per share. The preference shares do not have any voting rights.

On realisation, the proceeds remaining after the payment of its liabilities, shall be distributed first to the Preference shareholders up to the nominal value of the shares, then to the Preferred A Ordinary shares up to the nominal value of the shares or at the discretion of the majority holders of the Preferred A Ordinary shares 35% of the remaining assets yet to be distributed. Any remaining assets are to be distributed to the Ordinary shareholders.

New shares allotted

During the year 250,000 Preference Shares having an aggregate nominal value of £1 were allotted for an aggregate consideration of 250,000.