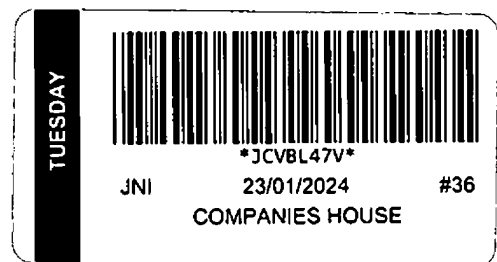


Registered no: 09678380

Hilton Food Solutions Limited
Annual report and financial statements
for the 52 weeks ended 1 January 2023



Hilton Food Solutions Limited

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Hilton Food Solutions Limited

Directors and advisors

Directors

P Heffer (resigned 21 July 2023)
N Majewski (resigned 14 July 2022)
P Hounsome
R Heffer
G Heffer
M Lee
M Osborne (appointed 14 July 2022)
M Robinson (appointed 22 August 2022)
S Murrells (appointed on 21 July 2023)

Company secretary

N George

Registered office

2-8 The Interchange
Latham Road
Huntingdon
Cambridgeshire
United Kingdom
PE29 6YE

Bankers

Ulster Bank Limited
Donegall Square East
Belfast
BT1 5UB

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Merchant Square
20-22 Wellington Place
Belfast
BT1 6GE

Hilton Food Solutions Limited

Strategic report for the 52 weeks ended 1 January 2023

Principal activities

The company's principal activity is that of trading in wholesale meat and meat products.

Review of the business

Background to the business

Hilton Food Solutions Limited is a member of the Hilton Food Group plc group of companies and a leading specialist in trading wholesale meat and meat products, supplying both the foodservice and online retail sectors. The company has excellent relationships with its network of quality suppliers providing unrivalled access to internationally produced primal meat which is processed and distributed by third party hauliers to its customers.

Business environment and performance

Turnover in the period was £55,301,105, an increase of 28% compared to the prior period (2021: £43,088,645). The increase in turnover reflects the lower prior period value due to the impact of government lockdown in the first quarter of 2021 impacting demand in the UK foodservice sector. The profit for the financial period is £1,443,592 (2021: £1,299,003) and the company had net assets of £3,438,937 (2021: £2,791,881).

Strategy

The company's strategy is to expand its product offering, by using its established business model to focus on expansion with its existing customer base and maintaining a continual focus on new customers and markets. The primary objective being to achieve attractive and sustainable rates of growth and returns.

Future outlook

Against the background of the current economic climate, the directors believe that the company is well placed to take advantage of potential growth opportunities in the areas described under the strategy above.

Principal risks and uncertainties

The management of the business and the execution of the subsidiary's strategy are subject to a number of risks. Risks are formally reviewed by the board and appropriate processes put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the subsidiary. These risks are consistent throughout the group. Please refer to the accounts of Hilton Food Group plc for further details on the principal risks and uncertainties.

Cost of living crisis, increasing interest rates and the Russia-Ukraine War

The macroeconomic and geopolitical landscape, exacerbated by the Ukrainian war and increasing interest rates, is having an unprecedented impact on the Company's supply chains, operations, consumers and customers. Energy price volatility and an acute cost of living crisis is impacting consumer spending and eating habits, although the Company is expecting this to ease as the rate of food price inflation slows.

The Company recognises the impact of increasing interest costs on all businesses and it continue to focus on ways of reducing our exposure including through the use of cash pooling and exploring working capital financing.

The Company continued focus on cost control, innovation and factory efficiency is enabling us to manage the inflationary pressures the industry is currently facing. Through our strong customer relationships we are able to support consumers to navigate through these challenging times.

Further discussion of these risks and uncertainties, in the context of the group as a whole, is provided in Hilton Food Group plc's 2022 annual report and financial statements.

Hilton Food Solutions Limited

Strategic report for the 52 weeks ended 1 January 2023 (continued)

Going concern

The company is in a net current asset position of £3,340,206 (2021: £2,720,990), the directors have not identified any going concern issues as the company trades profitably, with net assets. The directors have performed a detailed review of the company's forecasts and projections which take into account of reasonable possible changes in trading performance such as a decline in operating profit and are satisfied that the company has adequate resources to continue in operation and meet its liabilities as they fall due for the foreseeable future, a period considered to be at least 12 months from the date of signing these financial statements. As a result, the financial statements have been prepared on a going concern basis.

Key Performance Indicators (KPI's)

The directors use a range of financial and non-financial Key Performance Indicators "KPIs" to measure progress achieved in building shareholder value. Performance against the key "KPIs" for the period to 1 January 2023 (prior period 1 January 2022) was as follows:

	2022 52 weeks	2021 52 weeks
Turnover (£)	55,301,105	43,088,645
Operating profit (£)	2,114,327	1,678,675
Average monthly number of persons employed (number)	20	20

The increase in turnover reflects the lower prior period value due to the impact of government lockdown in the first quarter of 2021 impacting demand in the UK foodservice sector. The directors also consider the movement in operating profit and average monthly number of persons employed to be satisfactory.

Stakeholder engagement

The Board is fully aware of its responsibilities to promote the success of the Company for the benefit of its members as a whole under Section 172 of the Companies Act 2006. We take the interests of our workforce and stakeholders fully into account in Board discussions and decision making. Details of the Group's policies and procedures that have been implemented to enhance stakeholder and workforce engagement, which explain how these interests have influenced our decisions are set out in the Governance section of the Annual report which can be obtained from 2-8 The Interchange, Latham Road, Huntingdon, Cambridgeshire, PE29 6YE and from its website <https://www.hiltonfoods.com/>.

Directors' duties and stakeholder engagement

Section 172 of the Companies Act 2006 requires company directors to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct, and;
- the need to act fairly as between members of the company.

The Directors ensure that the views of the Company's key stakeholders are known and fully considered during their discussions and decision-making. Proposals submitted to the Board on all significant decisions include a section that assesses the potential impact on its stakeholders and their interests. This is intended to guide Board discussions to ensure that these interests are adequately considered when decisions are made to approve business projects and the Company's strategy.

Hilton Food Solutions Limited

Strategic report for the 52 weeks ended 1 January 2023 (continued)

Approval of the strategic report

The strategic report has been drawn up and presented in accordance with applicable English company law, in particular Chapter 4A of the Companies Act 2006, and the liabilities of directors in connection with this report shall be subject to the limitations and restrictions provided by such law.

Approved by order of the Board of Directors.



N George
Company secretary
21 December 2023

Hilton Food Solutions Limited

Directors' report for the 52 weeks ended 1 January 2023

The directors present their annual report and the audited financial statements of the company for the 52 weeks ended 1 January 2023 (the comparative period is for the 52 weeks ended 1 January 2022). Information on the company's business review, future developments, key performance indicators, principal risks are included in the strategic report and is included in this report by cross reference.

Results and dividends

The profit for the financial period is £1,443,592 (2021: £1,299,003) and dividends of £202,628 (2021: £1,350,000) were paid during the period. The directors do not recommend the payment of a final dividend.

Financial risk management

The company's operations expose it to a variety of financial risks that include foreign exchange risk, the effects of changes in credit risk and liquidity 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 levels of debt finance and the related finance costs.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Foreign exchange risk

The company will enter into foreign exchange contracts where necessary for non-sterling denominated expenses to minimise any foreign exchange exposure.

Credit risk

The company's customers comprise a small number of retailers and wholesalers. Credit risk is managed through use of a credit insurance policy.

Liquidity risk

The company monitors its bank position on a daily basis to ensure the company has sufficient available funds for operations.

Political donations

There were no political donations made during the financial period (2021: none).

Directors

The directors who held office during the period and up to the date of signing these financial statements are:

P Heffer (resigned 21 July 2023)

N Majewski (resigned 14 July 2022)

P Hounsome

R Heffer

G Heffer

M Lee

M Osborne (appointed 14 July 2022)

M Robinson (appointed 22 August 2022)

S Murrells (appointed on 21 July 2023)

Directors indemnities

As permitted by law and the Articles of Association the Company has in place appropriate directors' and officers' liability insurance cover. The indemnity was in force throughout the last financial period and is currently in force.

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of the company.

Hilton Food Solutions Limited

Directors' report for the 52 weeks ended 1 January 2023 (continued)

Employee involvement

Meetings with employee representatives took place during the period to keep employees informed as to the performance of the company and the plans for the future. Management was also aware of the views of employees through these regular meetings.

Streamlined Energy and Carbon Reporting (SECR)

Information on the company's carbon reporting is included in the Directors' report of the ultimate parent company, Hilton Food Group plc, and is included in this report by cross reference.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual report and financial statements and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Hilton Food Solutions Limited

Directors' report for the 52 weeks ended 1 January 2023 (continued)

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



N George
Company secretary
21 December 2023

Hilton Food Solutions Limited

Independent auditors' report to the members of Hilton Food Solutions Limited

Report on the audit of the financial statements

Opinion

In our opinion, Hilton Food Solutions Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 1 January 2023 and of its profit for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 1 January 2023; the profit and loss account, the statement of comprehensive income and the statement of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Hilton Food Solutions Limited

Independent auditors' report to the members of Hilton Food Solutions Limited (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the period ended 1 January 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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

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 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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls); and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates or significant judgements. Audit procedures performed by the engagement team included:

Hilton Food Solutions Limited

Independent auditors' report to the members of Hilton Food Solutions Limited (continued)

- Discussions with internal audit, management and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluation, and where relevant, testing of the operating effectiveness of management's controls designed to prevent and detect fraud in financial reporting;
- Identifying and testing unusual journal entries, in particular, journal entries posted to manipulate financial results;
- Review of minutes from board and other committee meetings e.g. audit committee;
- Reading any key correspondence with regulatory authorities in the period; and
- Obtaining an understanding of the legal and regulatory framework applicable to the company and how the company is complying with that framework.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

David Strachan

David Strachan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Belfast
23 January 2024

Hilton Food Solutions Limited

Profit and loss account for the 52 weeks ended 1 January 2023

		2022	2021
	Note	£	£
Continuing operations			
Turnover	3	55,301,105	43,088,645
Cost of sales		(49,929,940)	(37,742,829)
Gross profit		5,371,165	5,345,816
Distribution costs		(1,118,262)	(869,721)
Administrative expenses		(2,138,576)	(2,797,420)
Operating profit	6	2,114,327	1,678,675
Interest payable and similar expenses	7	(312,920)	(82,711)
Profit before taxation		1,801,407	1,595,964
Tax on profit	8	(357,815)	(296,961)
Profit for the financial period		1,443,592	1,299,003

The notes on pages 15 to 24 are an integral part of these financial statements.

Hilton Food Solutions Limited

Statement of comprehensive income for the 52 weeks ended 1 January 2023

	2022	2021
	£	£
Profit for the financial period	1,443,592	1,299,003
Other comprehensive (expense)/income		
Loss on cash flow hedges	(593,908)	-
Other comprehensive (expense)/income for the period net of tax	(593,908)	-
Total comprehensive income for the period	849,684	1,299,003

The notes on pages 15 to 24 are an integral part of these financial statements.

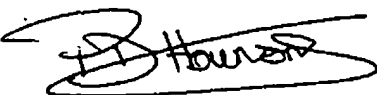
Hilton Food Solutions Limited

Balance sheet as at 1 January 2023


		2022	2021
	Note	£	£
Fixed assets			
Intangible assets	9	14,243	39,400
Tangible assets	10	10,588	8,789
Investment in subsidiary	11	90	90
Investment in associate	11	50,000	-
Deferred tax asset	15	23,810	22,612
		98,731	70,891
Current assets			
Stocks	12	6,588,613	5,116,292
Debtors	13	10,417,306	8,363,023
Cash at bank and in hand		2,010,939	1,649,797
		19,016,858	15,129,112
Creditors: amounts falling due within one year	14	(15,676,652)	(12,408,122)
Net current assets		3,340,206	2,720,990
Total assets less current liabilities		3,438,937	2,791,881
Net assets		3,438,937	2,791,881
Capital and reserves			
Called up share capital	16	100	100
Cashflow hedging reserve		(593,908)	-
Profit and loss account		4,032,745	2,791,781
Total shareholders' funds		3,438,937	2,791,881

The notes on pages 15 to 24 are an integral part of these financial statements.

The financial statements on pages 11 to 24 were approved by the board on 21 December 2022 and were signed on its behalf by:



P Hounsborne
Director



M Osborne
Director

Hilton Food Solutions Limited

Statement of changes in equity for the 52 weeks ended 1 January 2023

	Called up share capital	Cashflow hedging reserve	Profit and loss account	Total shareholders' funds
	£	£	£	£
Balance at 3 January 2021	100	-	2,842,778	2,842,878
Profit for the financial period	-	-	1,299,003	1,299,003
Dividends paid	-	-	(1,350,000)	(1,350,000)
Balance at 1 January 2022	100	-	2,791,781	2,791,881
Profit for the financial period	-	-	1,443,592	1,443,592
Loss on cashflow hedging	-	(593,908)	-	(593,908)
Dividends paid	-	-	(202,628)	(202,628)
Balance at 1 January 2023	100	(593,908)	4,032,745	3,438,937

The notes on pages 15 to 24 are an integral part of these financial statements.

Hilton Food Solutions Limited

Notes to the financial statements

1 Accounting policies

General information

Hilton Food Solutions Limited is a wholesale meat and meat products trading business.

The company is a private limited company limited by shares and incorporated and domiciled in the United Kingdom and registered in England and Wales. The address of the registered office is 2-8 The Interchange, Latham Road, Huntingdon, Cambridgeshire PE29 6YE.

The financial statements are presented in Sterling and all values rounded to the nearest pound (£) except when otherwise indicated.

Statement of compliance

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102) and the Companies Act 2006 (the Act).

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following principal accounting policies have been applied consistently unless otherwise stated:

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions.

These exemptions are:

- a reconciliation of the number of shares outstanding at the beginning and end of the period;
- certain financial instrument disclosures providing equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated; and
- the non-disclosure of key management personnel compensation in total.

Cash flow statement

On the basis that it is a qualifying company and its ultimate parent company, Hilton Food Group plc, includes the company's cash flow statement in its own consolidated financial statements, the company has taken advantage of the exemption under FRS 102 from preparing a cash flow statement.

Related party transactions

The company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

Consolidation exemption

These financial statements contain information about the company as an individual company and do not contain consolidated financial information as the parent undertaking of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it is included by full consolidation in the consolidated financial statements of its ultimate parent undertaking, Hilton Food Group plc, a company incorporated in England and Wales. The financial period represents the 52 weeks to 1 January 2023 (prior financial period 52 weeks to 1 January 2022).

New standards, amendments and interpretations issued but not yet effective

The FRC completed its triennial review of FRS 102 in December 2017. The key amendments resulting from this review were effective from 1 January 2019 and had no material impact on the company. The next triennial review of FRS 102 by the FRC, is expected to begin in early 2021, with any amendments being effective from January 2024.

Hilton Food Solutions Limited

Notes to the financial statements (continued)

1 Accounting policies (continued)

Turnover

Turnover represents the invoiced value of goods supplied during the period excluding value added tax and is net of sales returns, trade discounts and rebates. Revenue is recognised upon customer receipt, which is when title to the product is transferred to the customer.

Foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rates prevailing at the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the balance sheet date or the exchange rate of a related foreign exchange contract where appropriate. The resulting gain or loss is recognised in the profit and loss account.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost, of tangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates used are as follows:

	Annual rate %
Building improvements	10
Office furniture and equipment	25

Intangible assets

Computer software

Acquired software licenses are stated at cost less accumulated amortisation and are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight line basis over their useful economic lives of four years. Amortisation is included in 'administrative expenses' in the profit and loss account.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. Non-financial assets other than goodwill that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial instruments

The company applies section 11 and 12 of FRS 102 in respect of the recognition and measurement of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Hilton Food Solutions Limited

Notes to the financial statements (continued)

1 Accounting policies (continued)

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expires.

Derivative financial instruments and hedging activities

The company applies hedge accounting for transactions entered into forward currency exchange rate contracts for the purpose of mitigating commodity risk occurring in the normal course of business. At no time will the company take positions in derivative instruments for the purpose of earning a stand-alone profit from such instruments.

Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the income statement.

The gain or loss recognised in other comprehensive income is reclassified to the income statement when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Stocks

Stocks comprise raw materials and are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition. Provision is made for slow moving and obsolete items.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Hilton Food Solutions Limited

Notes to the financial statements (continued)

1 Accounting policies (continued)

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

Pension costs

The company operates a defined contribution scheme for its employees. Contributions are charged to the profit and loss account in the period to which they relate.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

2 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During the period ended 1 January 2023 there were no (1 January 2022: no) critical accounting estimates or other judgements in relation to the application of the Company's accounting policies.

3 Turnover

An analysis of turnover by class of business is as follows:

	2022	2021
	£	£
Wholesale meat and meat products	55,301,105	43,088,645

All turnover arose within the United Kingdom.

Hilton Food Solutions Limited

Notes to the financial statements (continued)

4 Employee information

	2022 £	2021 £
Staff costs		
Wages and salaries	1,169,031	1,600,198
Social security costs	184,160	187,348
Other pension costs	38,486	34,651
	1,391,677	1,822,197
	2022 Number	2021 Number
Average monthly number of persons employed by the company (including directors) during the period		
Administration	20	20

5 Directors' emoluments

	2022 £	2021 £
Aggregate emoluments	298,227	287,325
Company pension contributions to defined contribution plans in respect of one director	4,000	3,864
	302,227	291,189

During the period to 1 January 2023 and 1 January 2022, only one director in office was remunerated by the Company, who is also the highest paid director.

Other Directors were remunerated by other companies within the Hilton Food Group. These emoluments have been disclosed in full in the relevant statutory financial statements, and the directors consider that it is not possible to separately identify those specifically relating to services provided to Hilton Food Solutions Limited.

6 Operating profit

	2022 £	2021 £
Operating profit is stated after charging:		
Inventory recognised as an expense	49,389,736	37,742,829
Staff costs (note 4)	1,391,677	1,822,197
Depreciation of fixed assets	6,201	6,967
Amortisation	25,157	25,157
Transportation charges	1,627,022	1,545,161
Fees payable to the company's auditors for the audit of the company's financial statements	21,603	40,210

7 Interest payable and similar expenses

	2022 £	2021 £
Other interest payable	312,920	82,711

Hilton Food Solutions Limited

Notes to the financial statements (continued)

8 Tax on profit

	2022 £	2021 £
Tax on profit		
Current tax - current period	357,170	301,052
Adjustments in respect of previous periods	1,843	(10,203)
Total current tax	359,013	290,849
Deferred taxation		
Deferred taxation - current period	(1,198)	6,560
Adjustments in respect of previous periods	-	(448)
Total deferred tax	(1,198)	6,112
Total tax charge	357,815	296,961

The tax assessed for the period is higher (2021: lower) than the standard rate of Corporation Tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Profit before taxation	1,801,407	1,595,964
Tax calculated at the standard rate of UK Corporation Tax 19% (2021: 19%)	342,267	303,233
Expenses not deductible for tax purposes	13,993	4,379
Adjustments in respect of previous periods	1,843	(10,651)
Difference in tax rates	(288)	-
Total tax charge for the period	357,815	296,961

In Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financials statements.

9 Intangible assets

	Computer software £
Cost	
At 1 January 2022 and 1 January 2023	100,630
Accumulated amortisation	
At 2 January 2022	61,230
Charge for the period	25,157
At 1 January 2023	86,387
Net book amount	
At 1 January 2023	14,243
At 1 January 2022	39,400

Hilton Food Solutions Limited

Notes to the financial statements (continued)

10 Tangible assets

	Building improvements £	Office furniture and equipment £	Total £
Cost			
At 2 January 2022	6,210	38,706	44,916
Additions	-	8,000	8,000
At 1 January 2023	6,210	46,706	52,916
Accumulated depreciation			
At 2 January 2022	6,210	29,917	36,127
Charge for the period	-	6,201	6,201
At 1 January 2023	6,210	36,118	42,328
Net book amount			
At 1 January 2023	-	10,588	10,588
At 1 January 2022	-	8,789	8,789

11 Investments

Investments in subsidiary undertakings are recorded at cost, which was the fair value of the consideration paid.

	£
At 1 January 2022 and 1 January 2023	90

The company owns 100% of the ordinary share capital of Hilton Food Solutions Holland BV, a company incorporated in Holland and its principal activity is that of trading in wholesale meat and meat products.

The registered office of Hilton Food Solutions Holland BV is Grote Tocht 31, 1507 CG Zaandam.

The carrying value of the company's investment in an associate was as follows:

	£
As at 2 January 2022	-
Additions	50,000
At 1 January 2023	50,000

The company acquired 25% of the ordinary share capital of A Turner and Sons Sausage Limited on 4 February 2022. The investment was recorded at cost, which is the fair value of the consideration paid.

The registered office for A Turner and Sons Sausage Limited is 205 North Lane, Aldershot, Hants, GU12 4SY.

12 Stocks

	2022 £	2021 £
Goods held for resale	6,588,613	5,116,292

There is no material difference between the replacement cost of stocks and their balance sheet values. Stocks are stated after provision for impairment of £306,622 (2021: £62,279).

Hilton Food Solutions Limited

Notes to the financial statements (continued)

13 Debtors

	2022 £	2021 £
Trade debtors	4,108,653	3,871,238
Bad debt provision for doubtful debts	-	(101,291)
	4,108,653	3,769,947
Amounts owed by group undertakings	4,459,361	3,406,025
Corporation tax	-	74,550
Other debtors	450,010	80,016
Prepayments and accrued income	1,399,282	1,032,485
	10,417,306	8,363,023

Amounts owed to group undertakings attract an interest rate of SONIA plus a margin of 1.95% to 2.1%, are unsecured and repayable on demand.

14 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	3,694,893	3,674,626
Amounts owed to group undertakings	10,973,918	7,942,528
Corporation tax	39,464	-
Other taxation and social security	53,124	50,612
Derivative financial instruments	593,908	-
Accruals and deferred income	321,345	740,356
	15,676,652	12,408,122

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

15 Deferred taxation

	General provisions	Pension accrual	Accelerated capital allowances	Total £
At 3 January 2021	28,724	-	-	28,724
Debited to the profit and loss account	(7,987)	1,875	-	(6,112)
At 1 January 2022	20,737	1,875	-	22,612
Credited from the profit and loss account	-	190	1,008	1,198
At 1 January 2023	20,737	2,065	1,008	23,810

The company has a net deferred tax asset of £23,810 (2021: £22,612) which has been recognised in these financial statements and is expected to be settled after 12 months from the period end.

Hilton Food Solutions Limited

Notes to the financial statements (continued)

16 Called up share capital

	2022 £	2021 £
Allotted and fully paid		
100 (2021: 100) ordinary shares of £1 each (2021: £1 each)	100	100

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

Dividends of £202,628 at £2,026 per share were declared and paid during the period (2021: £1,350,000 at £13,500 per share).

17 Related party transactions

Sales and purchases made on an arm's length basis on normal credit terms to related parties during the period were as follows:

Company	Sales 52 weeks ended 2 January 2022 £	Purchases 52 weeks ended 2 January 2022 £	Sales 53 weeks ended 3 January 2021 £	Purchases 53 weeks ended 3 January 2021 £
Hilton Foods (Ireland) Limited	-	355,817	-	347,882
Hilton Foods Holland BV	-	-	-	-
Hilton Foods Denmark Limited	-	-	55,676	-
Hilton Foods Limited Sp Zoo	-	-	60,975	-
Hilton Foods Solutions Holland Limited	-	-	95,139	327,181
Hilton Foods Sverige AB	-	-	-	-
Fairfax Meadow Europe Limited	19,925,822	-	-	2,884
Seachill UK Limited	-	1,685,114	65,066	469,006
SV Cuisine Limited	1,798,878	161,850	5,403,876	133,767
Hilton Foods UK Limited	1,462,962	2,434,883	2,305,477	3,575,088
	23,187,662	4,637,664	7,986,209	4,855,808

Interest of £312,920 (2021: £16,999), charged on an arm's length basis, was payable to Hilton Foods Limited in respect of inter group loans provided in the period.

Amounts owing from and to related parties at the period end were as follows:

Group	Amounts owed from related parties 52 weeks ended 2 January 2022 £	Amounts owed to related parties 52 weeks ended 2 January 2022 £	Amounts owed from related parties 53 weeks ended 3 January 2021 £	Amounts owed to related parties 53 weeks ended 3 January 2021 £
Hilton Foods (Ireland) Limited	-	10,879	-	110,049
Hilton Foods UK Limited	311,110	591,253	274,903	728,024
Hilton Food Solutions Holland BV	2,977,226	-	1,545,676	111,402
Hilton Foods Denmark Limited	-	-	-	462
Fairfax Meadow Europe Limited	977,856	-	732,597	-
SV Cuisine Limited	144,883	63,953	787,783	-
Hilton Foods Limited	-	10,127,728	-	6,521,344
Seachill UK Limited	48,286	175,356	65,066	469,006
Hilton Foods Limited Sp Zoo	-	4,749	-	2,241
	4,459,361	10,973,918	3,406,025	7,942,528

Hilton Food Solutions Limited

Notes to the financial statements (continued)

18 Ultimate controlling party

The company's immediate parent undertaking is Hilton Foods Limited, a company incorporated in Northern Ireland.

The company's ultimate parent undertaking and the parent undertaking of the only group of undertakings for which group financial statements are prepared is Hilton Food Group plc, a company incorporated in England and Wales. The directors consider that Hilton Food Group plc has no one ultimate controlling party. The annual report and financial statements of Hilton Food Group plc can be obtained from its registered address 2-8 The Interchange, Latham Road, Huntingdon, Cambridgeshire, PE29 6YE and from its website <https://www.hiltonfoods.com/>.

19 Post Balance Sheet Events

Subsequent to the period end, during January 2023, the company declared and paid dividend of £935,280 at £9,353 per ordinary share.