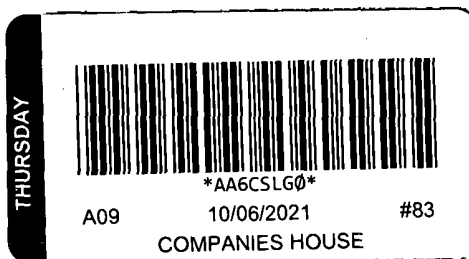


Company Registration No. 10213240 (England and Wales)

**DINNER LADY FAM LTD**  
**AMENDED ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2020**



# DINNER LADY FAM LTD

## COMPANY INFORMATION

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<b>Directors</b>	Mr Hussan Ijaz Mr Mohammed Patel
<b>Company number</b>	10213240
<b>Registered office</b>	GM House Wilkinson Way Blackburn BB1 2EH
<b>Auditor</b>	AMS Accountants Corporate Limited Chartered Accountants Statutory Auditor Floor 2 9 Portland Street Manchester M1 3BE

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# **DINNER LADY FAM LTD**

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# DINNER LADY FAM LTD

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 MAY 2020**

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The directors present the strategic report for the year ended 31 May 2020.

### **Review of the business**

The Company's principal activity continues to be the design, manufacture, import and distribution of innovative smoking cessation and nicotine replacement therapy products to retailers, wholesalers, distributors, and direct to consumer throughout the UK, USA, EU, and Rest of the World.

The Company continues to be one of the leading premium brands worldwide with proven global appeal, available in over 80 countries. Dinner Lady's brand power coupled with its long-term strategy of shaping the market with well-designed, quality products in key product categories has allowed the Company to achieve substantial growth globally.

Dinner Lady has a robust KPI infrastructure to help monitor, measure, and maximise performance and customer satisfaction. Notable KPI's within the Company include Quality on Time in Full Deliveries (QONTIF), Qualified Opportunity conversion, Customer Retention, Customer Attrition, and other key Customer metrics.

Dinner Lady with its established C-Suite has a wealth of experience in various industries and sectors including FMCG, Retail, Business Services, Legal, Compliance, and Digital. Dinner Lady has cultivated professional management practices with a key focus on efficiencies and automation. Through Training and Development, a resolute, competent, and high performing team has been created. Working closely with the top business schools in the world, the management and leadership team has developed skills with a holistic approach in all areas such as leadership, technical, commercial, culture and communication.

### **Financial Summary**

Turnover for the year has increased by 44% from £12,516,632 in 2019 to £18,062,779 in 2020 and gross profit margin remained consistent with previous years at 56%, the gross profit for 2019 & 2020 was £6,953,900 & £10,022,385, respectively. Profit before taxation increased from £2,166,231 in 2019 to £2,477,793 in 2020.

A stringent and robust approach is taken towards the Management of financials with commercial proportionality parameters and key ratios measured across the Profit & Loss, Balance Sheet, and Cashflow.

### **Description of Principal Risks and Uncertainties**

The process of risk management is addressed through a strategic framework of policies, procedures, and internal controls. All policies are subject to Board approval and ongoing review by Management.

The Company takes a robust stance on the adherence of all legal and regulatory matters. The UK Tobacco and Related Products Regulations 2016 (TRPR) regulates e-cigarettes and e-liquids. All e-cigarettes and e-liquids sold in the UK must be registered with the Medicines and Healthcare products Regulatory Agency (MHRA). The Company has a well-established compliance unit, dedicated to ensuring that all compliance requirements are fulfilled. The Company has also partnered with numerous specialist firms to continue the thorough testing of all its products to ensure that it continues to deliver compliant, premium quality products.

*Where appropriate, relevant credit checks are performed on potential customers before sales are made. The amount of exposure to any individual customer is limited and controlled by means of a credit limit which is monitored by its dedicated Commercial Unit.*

The Company is exposed to the risk of fluctuations in foreign exchange rates (mainly GBP/USD) and has developed a hedging strategy to minimise some of this risk.

### **Future Developments**

The Company has a strong focus on new product development through core innovation of existing products, introduction of adjacent markets, and technological advancement which provide a strategic advantage to support future growth.

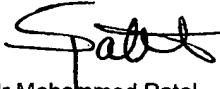
**DINNER LADY FAM LTD**

**STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MAY 2020***

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On behalf of the board



Mr Mohammed Patel

**Director**

26 May 2021

# **DINNER LADY FAM LTD**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MAY 2020**

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The directors present their annual report and financial statements for the Year ended 31 May 2020.

#### **Principal activities**

The principal activity of the company continued to be that of vape liquid wholesale.

#### **Results and dividends**

The results for the Year are set out on page 8.

Ordinary dividends were paid amounting to £2,174,326. The directors do not recommend payment of a further dividend.

#### **Directors**

The directors who held office during the Year and up to the date of signature of the financial statements were as follows:

Mr Hussan Ijaz  
Mr Mohammed Patel

#### **Financial instruments**

##### ***Liquidity risk***

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

##### ***Interest rate risk***

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans. The company uses interest rate derivatives to manage the mix of fixed and variable rate debt so as to reduce its exposure to changes in interest rates.

##### ***Foreign currency risk***

The company's principal foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. This hedging activity involves the use of foreign exchange forward contracts.

##### ***Credit risk***

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

#### **Auditor**

The auditor, AMS Accountants Corporate Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

# **DINNER LADY FAM LTD**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MAY 2020**

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### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr Mohammed Patel  
Director

26 May 2021

# DINNER LADY FAM LTD

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF DINNER LADY FAM LTD

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#### Opinion

We have audited the revised financial statements of Dinner Lady FAM Ltd (the 'company') for the year ended 31 May 2020 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changed in equity, the statement of cash flow and notes to the financial statements, including a summary of significant accounting policies. These revised financial statements replace the original financial statements approved by the directors on 26 May 2021. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice). The revised financial statements have been prepared under the Companies (Revision of Defective Accounts and Reports) Regulations 2008 and accordingly do not take account of event which have taken place after the date the original financial statements were approved.

In our opinion the financial statements:

- give a true and fair view, seen as at the date of the original financial statements were approved, of the state of the company's affairs as at 31 May 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, seen as at the date the original financial statements were approved; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008.

#### 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the revised financial statements is not appropriate; or
- the directors have not disclosed in the revised financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the original financial statements are authorised for issue.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.



# **DINNER LADY FAM LTD**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DINNER LADY FAM LTD**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In our opinion, the original financial statements for the year ended 31 May 2020 failed to comply with the requirements of the Companies Act 2006 in the respects identified by the directors in note 25 to the revised financial statements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 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.

### **Auditor's 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 auditor's 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.

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

## DINNER LADY FAM LTD

### INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DINNER LADY FAM LTD

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#### Use of our report

This report is made solely to the company's members, as a body, in accordance with the Companies (Revision of Defective Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

*AMS Accountants Corporate Ltd.*

David Clegg (Senior Statutory Auditor)  
For and on behalf of AMS Accountants Corporate Limited

2 June 2021

Chartered Accountants  
Statutory Auditor

Floor 2  
9 Portland Street  
Manchester  
M1 3BE

# DINNER LADY FAM LTD

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 MAY 2020**

	Notes	Year ended 31 May 2020 £	Year ended 31 May 2019 £
Turnover	3	18,062,779	12,516,632
Cost of sales		(8,040,394)	(5,562,732)
<b>Gross profit</b>		<b>10,022,385</b>	<b>6,953,900</b>
Administrative expenses		(7,528,958)	(4,772,166)
<b>Operating profit</b>	4	<b>2,493,427</b>	<b>2,181,734</b>
Interest receivable and similar income	6	7,778	8,897
Interest payable and similar expenses	7	(23,412)	(24,400)
<b>Profit before taxation</b>		<b>2,477,793</b>	<b>2,166,231</b>
Tax on profit	8	(17,717)	(219,152)
<b>Profit for the financial Year</b>		<b>2,460,076</b>	<b>1,947,079</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# **DINNER LADY FAM LTD**

## **STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MAY 2020**

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	<b>Year ended 31 May 2020 £</b>	<b>Year ended 31 May 2019 £</b>
<b>Profit for the Year</b>	<b>2,460,076</b>	<b>1,947,079</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the Year</b>	<b><u>2,460,076</u></b>	<b><u>1,947,079</u></b>

# DINNER LADY FAM LTD

## BALANCE SHEET

AS AT 31 MAY 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	10		2,028,476		1,542,824
<b>Current assets</b>					
Stocks	11	1,485,055		1,151,377	
Debtors	12	3,063,495		2,586,712	
Cash at bank and in hand		528,414		1,098,552	
		<u>5,076,964</u>		<u>4,836,641</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(2,068,053)</u>		<u>(1,782,505)</u>	
<b>Net current assets</b>			3,008,911		3,054,136
<b>Total assets less current liabilities</b>			5,037,387		4,596,960
<b>Creditors: amounts falling due after more than one year</b>	14		(387,356)		(340,327)
<b>Provisions for liabilities</b>					
Deferred tax liability	17	<u>281,777</u>	<u>(281,777)</u>	<u>174,129</u>	<u>(174,129)</u>
<b>Net assets</b>			<u>4,368,254</u>		<u>4,082,504</u>
<b>Capital and reserves</b>					
Called up share capital	19		100		100
Profit and loss reserves			<u>4,368,154</u>		<u>4,082,404</u>
<b>Total equity</b>			<u>4,368,254</u>		<u>4,082,504</u>

The financial statements were approved by the board of directors and authorised for issue on 26 May 2021 and are signed on its behalf by:

  
Mr Mohammed Patel  
Director

Company Registration No. 10213240

# DINNER LADY FAM LTD

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 June 2018		100	2,135,325	2,135,425
Period ended 31 May 2019:				
Profit and total comprehensive income for the period		-	1,947,079	1,947,079
Balance at 31 May 2019		100	4,082,404	4,082,504
Period ended 31 May 2020:				
Profit and total comprehensive income for the period		-	2,460,076	2,460,076
Dividends	9	-	(2,174,326)	(2,174,326)
Balance at 31 May 2020		100	4,368,154	4,368,254

# DINNER LADY FAM LTD

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	23	2,423,107		1,543,482	
Interest paid		(23,412)		(24,400)	
Income taxes paid		(12,449)		(184,054)	
<b>Net cash inflow from operating activities</b>		<u>2,387,246</u>		<u>1,335,028</u>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(865,667)		(820,349)	
Interest received		<u>7,778</u>		<u>8,897</u>	
<b>Net cash used in investing activities</b>			<u>(857,889)</u>		<u>(811,452)</u>
<b>Financing activities</b>					
Repayment of borrowings		27,428		8,403	
Payment of finance leases obligations		47,403		436,852	
Dividends paid		<u>(2,174,326)</u>		<u>-</u>	
<b>Net cash (used in)/generated from financing activities</b>			<u>(2,099,495)</u>		<u>445,255</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>			<u>(570,138)</u>		<u>968,831</u>
Cash and cash equivalents at beginning of Year		1,098,552		129,721	
<b>Cash and cash equivalents at end of Year</b>		<u><u>528,414</u></u>		<u><u>1,098,552</u></u>	

# DINNER LADY FAM LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020

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### 1 Accounting policies

#### Company information

Dinner Lady FAM Ltd is a private company limited by shares incorporated in England and Wales. The registered office is GM House, Wilkinson Way, Blackburn, BB1 2EH.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. However, the directors are aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern.

The uncertainties are surrounding the Covid19 pandemic. As a result of this the economy going forward is uncertain, therefore the impact on the company is not yet known.

The company continues to have the support of its bankers and its shareholders who will make funds available to meet the company's liabilities and obligations as they fall due. Therefore, the directors deem it appropriate to prepare the financial statements on a going concern basis.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	Straight line over 3, 7 and 10 years
Computers	25% reducing balance



# DINNER LADY FAM LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

### 1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 Cash and cash equivalents

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

# DINNER LADY FAM LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

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### 1 Accounting policies

(Continued)

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# DINNER LADY FAM LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

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 finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# DINNER LADY FAM LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.13 Leases**

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### **1.14 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# DINNER LADY FAM LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

	2020 £	2019 £
<b>Turnover analysed by class of business</b>		
Sales	18,062,779	12,516,632
	<u>          </u>	<u>          </u>
	2020 £	2019 £
<b>Other significant revenue</b>		
Interest income	7,778	8,897
	<u>          </u>	<u>          </u>

### 4 Operating profit

	2020 £	2019 £
Operating profit for the period is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(83,531)	(12,642)
Fees payable to the company's auditor for the audit of the company's financial statements	6,000	6,000
Depreciation of owned tangible fixed assets	380,015	162,090
Operating lease charges	509,172	475,594
	<u>          </u>	<u>          </u>

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the Year was:

	2020 Number	2019 Number
Administration	137	82
Directors	2	2
	<u>          </u>	<u>          </u>
Total	139	84
	<u>          </u>	<u>          </u>

# DINNER LADY FAM LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

### 5 Employees

(Continued)

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	3,226,438	2,077,603
Social security costs	249,249	170,631
Pension costs	172,532	27,724
	<u>3,648,219</u>	<u>2,275,958</u>

### 6 Interest receivable and similar income

	2020 £	2019 £
<b>Interest income</b>		
Interest on bank deposits	-	269
Other interest income	7,778	8,628
	<u>7,778</u>	<u>8,897</u>
<b>Total income</b>	<u>7,778</u>	<u>8,897</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	-	269
	<u>-</u>	<u>269</u>

### 7 Interest payable and similar expenses

	2020 £	2019 £
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	23,412	21,801
Other interest	-	2,599
	<u>23,412</u>	<u>24,400</u>

### 8 Taxation

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	43,817	155,027
Adjustments in respect of prior periods	(307,877)	(42,408)
	<u>(264,060)</u>	<u>112,619</u>
<b>Total current tax</b>	<u>(264,060)</u>	<u>112,619</u>

# DINNER LADY FAM LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

### 8 Taxation (Continued)

	2020 £	2019 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	281,777	106,533
	<u>          </u>	<u>          </u>
<b>Total tax charge</b>	<u>17,717</u>	<u>219,152</u>

The actual charge for the Year can be reconciled to the expected charge for the Year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
<b>Profit before taxation</b>	<u>2,477,793</u>	<u>2,166,231</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	470,781	411,584
Tax effect of expenses that are not deductible in determining taxable profit	72,323	30,797
Permanent capital allowances in excess of depreciation	(185,467)	(69,830)
Research and development tax credit	(313,819)	(319,017)
Other permanent differences	(307,877)	59,085
Deferred Tax	281,776	106,533
	<u>          </u>	<u>          </u>
<b>Taxation charge for the period</b>	<u>17,717</u>	<u>219,152</u>

### 9 Dividends

	2020 Per share £	2019 Per share £	2020 Total £	2019 Total £
<b>Ordinary</b>				
Final paid	1.00	-	2,174,326	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# DINNER LADY FAM LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

### 10 Tangible fixed assets

	Fixtures and fittings	Computers	Total
	£	£	£
<b>Cost</b>			
At 1 June 2019	1,812,815	-	1,812,815
Additions	836,136	29,531	865,667
At 31 May 2020	2,648,951	29,531	2,678,482
<b>Depreciation and impairment</b>			
At 1 June 2019	269,991	-	269,991
Depreciation charged in the Year	380,015	-	380,015
At 31 May 2020	650,006	-	650,006
<b>Carrying amount</b>			
At 31 May 2020	1,998,945	29,531	2,028,476
At 31 May 2019	1,542,824	-	1,542,824

### 11 Stocks

	2020	2019
	£	£
Finished goods and goods for resale	1,485,055	1,151,377

### 12 Debtors

	2020	2019
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	2,404,782	945,034
Other debtors	432,835	1,103,458
Prepayments and accrued income	165,878	478,220
	3,003,495	2,526,712
<b>Amounts falling due after more than one year:</b>		
Other debtors	60,000	60,000
<b>Total debtors</b>	3,063,495	2,586,712



# DINNER LADY FAM LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

### 13 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Obligations under finance leases	16	96,899	96,525
Other borrowings	15	45,966	18,538
Trade creditors		1,034,686	1,253,237
Corporation tax		98,814	201,194
Other taxation and social security		539,317	45,434
Other creditors		(6,275)	(6,125)
Accruals and deferred income		258,646	173,702
		<u>2,068,053</u>	<u>1,782,505</u>

### 14 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Obligations under finance leases	16	<u>387,356</u>	<u>340,327</u>

### 15 Loans and overdrafts

	2020 £	2019 £
Other loans	<u>45,966</u>	<u>18,538</u>
Payable within one year	<u>45,966</u>	<u>18,538</u>

### 16 Finance lease obligations

	2020 £	2019 £
Future minimum lease payments due under finance leases:		
Within one year	96,899	96,525
In two to five years	387,356	340,327
	<u>484,255</u>	<u>436,852</u>

# DINNER LADY FAM LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

### 17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2020 £	Liabilities 2019 £
<b>Balances:</b>		
Timing differences	281,777	174,129
	<u>281,777</u>	<u>174,129</u>
<b>Movements in the Year:</b>		2020 £
Liability at 1 June 2019		174,129
Charge to profit or loss		107,648
Liability at 31 May 2020		<u>281,777</u>

### 18 Retirement benefit schemes

	2020 £	2019 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	172,532	27,724
	<u>172,532</u>	<u>27,724</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 19 Share capital

	2020 Number	2019 Number	2020 £	2019 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

### 20 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	326,250	15,000
Between two and five years	824,063	1,150,313
	<u>1,150,313</u>	<u>1,165,313</u>

# DINNER LADY FAM LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

### 21 Directors' transactions

Dividends totalling £2,174,326 (2019 - £0) were paid in the Year in respect of shares held by the company's directors.

In the other debtors figure there is a balance owed from the directors. The below balance is repayable on demand.

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Closing balance £
Director	2.32	-	335,282	7,778	343,060
		-	335,282	7,778	343,060

### 22 Controlling party

By virtue of their majority shareholding, Mr M Patel is considered the ultimate controlling party.

### 23 Cash generated from operations

	2020 £	2019 £
Profit for the Year after tax	2,460,076	1,947,079
<b>Adjustments for:</b>		
Taxation charged	17,717	219,152
Finance costs	23,412	24,400
Investment income	(7,778)	(8,897)
Depreciation and impairment of tangible fixed assets	380,015	162,090
<b>Movements in working capital:</b>		
Increase in stocks	(333,678)	(144,740)
Increase in debtors	(476,783)	(704,700)
Increase in creditors	360,126	49,098
<b>Cash generated from operations</b>	<b>2,423,107</b>	<b>1,543,482</b>

### 24 Analysis of changes in net funds/(debt)

	1 June 2019 £	Cash flows £	31 May 2020 £
Cash at bank and in hand	1,098,552	(570,138)	528,414
Borrowings excluding overdrafts	(18,538)	(27,428)	(45,966)
Obligations under finance leases	(436,852)	(47,403)	(484,255)
	<b>643,162</b>	<b>(644,969)</b>	<b>(1,807)</b>

## **DINNER LADY FAM LTD**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 MAY 2020***

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#### **25 Amended financial statements**

The revised financial statements replace the original financial statements and are now the statutory accounts. They have been prepared as at the date of the original financial statements and not as at the date of the revision and accordingly do not deal with events between those dates.

The original submitted financial statements had incorrectly reported the profit before tax. As a result the revised accounts now report the correct profit and corporation tax liability.

The financial statements now show a true and fair view of the company's activities.