

Company Registration No. SC020934 (Scotland)

GRANT BROTHERS (MEAT CANNERS) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

PAGES FOR FILING WITH REGISTRAR

GRANT BROTHERS (MEAT CANNERS) LIMITED

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GRANT BROTHERS (MEAT CANNERS) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	4		28,043		27,104
Tangible assets	5		1,165,142		1,138,649
			<u>1,193,185</u>		<u>1,165,753</u>
Current assets					
Stocks		1,167,668		789,575	
Debtors	6	2,979,517		2,476,806	
Cash at bank and in hand		817,210		178,935	
		<u>4,964,395</u>		<u>3,445,316</u>	
Creditors: amounts falling due within one year	7	<u>(1,977,094)</u>		<u>(1,936,824)</u>	
Net current assets			<u>2,987,301</u>		<u>1,508,492</u>
Total assets less current liabilities			<u>4,180,486</u>		<u>2,674,245</u>
Creditors: amounts falling due after more than one year	8		(526,964)		(596,904)
Provisions for liabilities			<u>(91,161)</u>		<u>(79,656)</u>
Net assets			<u><u>3,562,361</u></u>		<u><u>1,997,685</u></u>
Capital and reserves					
Called up share capital			150,000		150,000
Share premium account			50,000		50,000
Revaluation reserve	11		31,827		31,827
Profit and loss reserves	12		3,330,534		1,765,858
Total equity			<u><u>3,562,361</u></u>		<u><u>1,997,685</u></u>

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved and signed by the director and authorised for issue on 28 March 2022

Mr J Fallon
Director

Company Registration No. SC020934

GRANT BROTHERS (MEAT CANNERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Grant Brothers (Meat Canners) Limited is a private company limited by shares incorporated in Scotland. The registered office is Richmond House, Richmond Bridge, Galston, Ayrshire, KA4 8JU.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The company pays special attention to the COVID-19 pandemic and the associated impact on the business. The risks to the business include:

- • The continued supply of raw materials;
- • Interruption to operations due to an absence of staff for a period due to either contracting the virus or measures taken to contain an outbreak at our factories;
- • A fall in revenue and decreased cash flow due to lower general economic activity throughout the UK.

The company is following Government guidance concerning all aspects of the pandemic to ensure best practice precautions are applied. It continues to monitor the risks and is in constant communication with customers, suppliers and staff as events transpire and Government advice develops.

To date, the company's operations have not been negatively affected by the COVID-19 pandemic. In fact, the company has seen a increase in revenue and consumer demand within UK supermarkets and the business continues to be profitable and cash generative since the start of the outbreak. However, the company acknowledges this could change depending on how the situation evolves and whether there are interruptions to business or supply as detailed above.

The current and future financial position of the company, its cash flows and liquidity position has been reviewed by the director.

Following this review, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. This includes ensuring the company has sufficient headroom to meet any additional forecast cash requirements that would be contingent on an extended downturn in activity in relation to the COVID-19 pandemic.

As such, the director considers that it is appropriate to prepare the financial statements on the going concern basis.

GRANT BROTHERS (MEAT CANNERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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.

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 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Development costs	25% Reducing balance
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1.6 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:

Freehold land and buildings	1% on cost
Plant and equipment	15% on reducing balance
Fixtures and fittings	20% on cost
Motor vehicles	25% on reducing balance

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.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

GRANT BROTHERS (MEAT CANNERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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.

1.8 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.

1.9 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.

1.10 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.

GRANT BROTHERS (MEAT CANNERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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.

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.

1.11 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.

1.12 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.

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.

GRANT BROTHERS (MEAT CANNERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.13 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.

1.14 Retirement benefits

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

1.15 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.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.17 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.

GRANT BROTHERS (MEAT CANNERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

The director is of the opinion there are no matters of significant judgement and estimation which are material to the financial statements.

3 Employees

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

	2021 Number	2020 Number
Total	55	37

4 Intangible fixed assets

	Development costs £
Cost	
At 1 April 2020	247,588
Additions	8,472
At 31 March 2021	256,060
Amortisation and impairment	
At 1 April 2020	220,484
Amortisation charged for the year	7,533
At 31 March 2021	228,017
Carrying amount	
At 31 March 2021	28,043
At 31 March 2020	27,104

GRANT BROTHERS (MEAT CANNERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2020	1,024,590	998,020	171,679	71,010	2,265,299
Additions	33,123	46,986	9,615	-	89,724
Disposals	-	(2,200)	-	-	(2,200)
At 31 March 2021	1,057,713	1,042,806	181,294	71,010	2,352,823
Depreciation and impairment					
At 1 April 2020	165,363	760,618	155,932	44,737	1,126,650
Depreciation charged in the year	11,932	36,366	6,299	5,866	60,463
Eliminated in respect of disposals	-	568	-	-	568
At 31 March 2021	177,295	797,552	162,231	50,603	1,187,681
Carrying amount					
At 31 March 2021	880,418	245,254	19,063	20,407	1,165,142
At 31 March 2020	859,227	237,402	15,747	26,273	1,138,649

6 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	1,451,939	1,657,931
Amounts owed by group undertakings	1,463,945	741,908
Other debtors	53,417	72,759
Prepayments and accrued income	10,216	4,208
	2,979,517	2,476,806

7 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	9	47,105
Obligations under finance leases	10	54,037
Invoice finance borrowings	9	-
Trade creditors	1,221,923	1,118,756
Corporation tax	623,488	145,885
Other taxation and social security	12,230	18,998
Government grants	952	1,291
Accruals and deferred income	17,359	63,912
	1,977,094	1,936,824

GRANT BROTHERS (MEAT CANNERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	9	485,169	538,137
Obligations under finance leases	10	33,955	50,137
Government grants		7,840	8,630
		<u>526,964</u>	<u>596,904</u>

9 Loans and overdrafts

	2021 £	2020 £
Bank loans	532,274	599,735
Bank overdrafts	-	125,414
Invoice finance borrowings	-	359,583
	<u>532,274</u>	<u>1,084,732</u>
Payable within one year	47,105	546,595
Payable after one year	485,169	538,137

Bank loans and overdrafts are secured by a floating charge over the company's assets and by a standard security over the premises in favour of the Clydesdale Bank plc.

Hire purchase contracts are secured over the assets to which they relate.

The invoice financing facility is secured by a charge over the company's debtor books in favour of the Clydesdale Bank plc.

10 Finance lease obligations

	2021 £	2020 £
Future minimum lease payments due under finance leases:		
Within one year	54,037	41,387
In two to five years	33,955	50,137
	<u>87,992</u>	<u>91,524</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 to 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

GRANT BROTHERS (MEAT CANNERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Revaluation reserve

	2021 £	2020 £
At the beginning of the year	31,827	32,366
Transfer to retained earnings	-	(539)
At the end of the year	<u>31,827</u>	<u>31,827</u>

12 Profit and loss reserves

	2021 £	2020 £
At the beginning of the year	1,765,858	1,347,445
Profit for the year	2,064,676	567,874
Dividends declared and paid in the year	(500,000)	(150,000)
Transfer from revaluation reserve	-	539
At the end of the year	<u>3,330,534</u>	<u>1,765,858</u>

13 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Stephen Wilkie and the auditor was Azets Audit Services.

14 Operating lease commitments

Lessee

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

2021 £	2020 £
<u>26,476</u>	<u>39,212</u>

GRANT BROTHERS (MEAT CANNERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Related party transactions

Transactions with related parties

During the year to 31st March 2021, Grant Brothers (Meat Canners) Limited paid Ardeer Research and Marketing Limited £100,000 (2020: £100,000) in respect of management charges and dividends of £500,000 (2020: £150,000). Other costs of £31,200 (2020: £31,200) were also paid by Grant Brothers (Meat Canners) Limited to Ardeer Research and Marketing Limited.

At the year end, Ardeer Research and Marketing Limited owed the company £938,854 (2020: £728,841) in respect of loans outstanding.

At the year end, Fallco Limited owed the company £525,091 (2020: £13,067) in respect of loans outstanding. J Fallon is also a director of this company.

16 Parent company

The parent company of Grant Brothers (Meat Canners) Limited is Ardeer Research and Marketing Limited, and its registered office is 1 Cemetery Road, Galston, Scotland, KA4 8JU.

The ultimate controlling party is Mr J Fallon by virtue of his shareholding in Ardeer Research and Marketing Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.