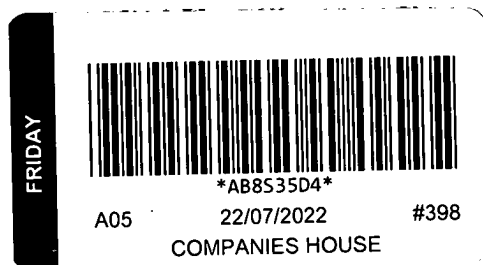


Registered number: 01548073

NATURES MENU LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



NATURES MENU LIMITED

COMPANY INFORMATION

Directors	Mr J J Garcia Mr M J Gesti Mr A J M Pastor
Registered number	01548073
Registered office	Natures Menu Limited Falcon Road Snetterton Norfolk NR16 2FB
Independent auditor	Ernst & Young LLP Statutory Auditor One Cambridge Business Park Cambridge CB4 0WZ
Bankers	Barclays Bank plc 91-92 High Street Kings Lynn Norfolk PE30 1BL
Solicitors	Kenneth Bush Solicitors 11 New Conduit Street Kings Lynn Norfolk PE30 1DG

NATURES MENU LIMITED

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NATURES MENU LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their strategic report for the year ended 31 December 2021.

Principal activities and business review

The principal activity of the company during the year continued to be the manufacture and retail of pet food.

The directors are particularly pleased with the performance of the company throughout 2021 with performance records continuing to be achieved on numerous occasions all against a background where the core values of the company of quality and service have been at the forefront of all activity.

The challenges with Covid 19 and Brexit have continued throughout 2021 and the Company has faced these challenges head on.

Covid continued to encourage home shopping and the Company has continued to invest in the tools to make that shopping experience as rewarding as possible for our customers. As the strains of Covid have been developing perhaps the major challenge we have had to face at our production plant in Snetterton has been the need for employees to self-isolate when testing positive. Whilst this may have been the best way to prevent the spread of the virus it has placed a strain on the remaining production work force who have still enabled the Company to achieve in excess of 16% sales growth, and the warehouse and picking staff who have enabled the Company to achieve in excess of 30% growth in Business to Customer sales.

The increase in administration costs shown in the Statement of Income and Retained Earnings in 2021 compared to 2020 reflects a number of senior appointments the Company has made throughout the year following a review of the organisation structure. It is believed this will leave the Company in a better position to meet future challenges in our chosen market.

The directors are particularly pleased to report the company has again achieved double digit revenue growth from £47.9 million to over £55.9 million (16.6% increase). The core brands and technologies all continue to perform well and remain supported by both consumers and customers throughout. The company will continue to support and develop its product range to ensure that it remains at the forefront of the market predominantly within the pet specialist sector.

The increase in turnover has resulted in additional gross profit generated during the year. Distribution cost increases are a reflection of the costs of servicing our business-to-consumer channel which has increased by some 30% year on year. The picking, packing and onward distribution of frozen products by a preferred partner has shown that economies of scale are more difficult to achieve in this area. The directors will continue to invest in this channel to increase the product knowledge available to these customers whilst continuing to search for efficiencies.

The company is able to report a small increase in profit before tax to £6.8 million.

The company was able to pay a dividend to its Holding Company Anexhold during the year.

The net asset position of the company at 31 December 2021 improved to £13,984,152 (2020: £13,704,614) a reflection of the growth of the company.

NATURES MENU LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Principal risks and uncertainties

The company's short-term objective is to maintain profitability in accordance with the company's overall strategic plan.

The company's key risks as assessed by the Board of Directors are:

- ***Foreign currency risk***

The company buys certain raw material and finished products overseas and is at risk from unfavourable exchange rate changes. The directors regularly review the currency needs of the company and the potential movement in exchange rates to determine the appropriate method to minimise the impact of currency fluctuations. The company seeks to mitigate this risk by forward-buying currency at an appropriate level for the company.

- ***Credit risk***

The company is exposed to credit risk on both its investments and debtors.

Investments of cash surpluses are made through banks which must fulfil credit rating criteria approved by the Board. Any deposit payments required on major capital projects are supported by bank guarantees over suppliers.

All customers who wish to trade on credit terms are subject to credit verification procedures. The exposure to any individual customer is controlled by use of credit limits, backed up with credit insurance. This is monitored by financial management and, in the case of financially material values by the Board of Directors. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary. Amounts shown in the statement of financial position best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

- ***Liquidity risk***

The company maintains sufficient cash levels to enable it to meet its liabilities as they fall due. Management review cashflow forecasts on a regular basis to determine whether the company has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities and minimise interest expense.

NATURES MENU LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Principal risks and uncertainties (continued)

- **Interest rate risk**

The company is exposed to cash flow interest rate risk balances due from group undertakings. The directors keep this risk under regular review. The interest rates on these loans are fixed. Management deems the exposure on interest rate risk to be low.

- **Price risks**

The company is exposed to price increases on its raw materials namely meat and packing materials. There is also a risk to the price of finished goods from third party suppliers due to increases in commodity prices of components making up these products. The risk is if the company is unable to pass on these increases to its customers. The extent of this risk is regularly reviewed by the Board of Directors with the assistance of the purchasing team.

- **COVID 19**

The COVID 19 pandemic has had dramatic impact on business and people in the UK. The Board of Directors have ensured sufficient investment is available to the "COVID team" at Snetterton to minimise the risks of the pandemic on employees and are regularly updated on any issues arising. Despite the pandemic, the company continued to grow its business. Only a limited number of employees were placed on furlough via the UK Government's Job Retention Scheme throughout the year. The warehouse continued to operate during the pandemic with proper social distancing measures followed. There has been some disruption in supply chain.

- **Brexit risks**

We import a significant amount of our raw materials and finished goods from the EU. Import procedures for goods coming into the UK have been deferred until 1 January 2022 with full inspection and documentary requirements deferred until 1 July 2022. The Directors will be taking external advice to ensure that any supply chain risks are minimised from those dates.

- **Ukraine risks**

Many companies are feeling the impacts of the current situation in Ukraine following the Russian invasion. High energy prices as well as a scarcity of resources are driving prices higher with every passing day. In particular we are likely to be impacted by the lack of animal feed that will be available in future months.

The company continues to manage all risks according to their severity and the changing environment currently experienced.

NATURES MENU LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Key performance indicators

The company uses a range of performance measures, both financial and non-financial, to monitor and manage the business effectively.

	Year to date 31 December 2021 £	<i>Year to date</i> <i>31</i> <i>December</i> <i>2020</i> <i>£</i>
Gross profit margin (%)	47.54	47.71
Current ratio	2.08	2.10
Operating profit (£'000s)	6,762	6,808

The gross profit percentage has remained relatively stable year on year reflecting the cost price increases that the business has been facing throughout 2021. A high degree of cost control remains prevalent within budget holder responsibility

The current ratio has increased as the company has been able to build significant cash balances following two successful trading years and a reduced need for investment in fixed assets for the year under review.

With the increased turnover and continued cost controls the directors are pleased to report that the company has achieved an increase in operating profit to £6.8 million. The Directors believe the Statement of Financial Position remains strong with Shareholders' just below £14.0 million. The directors consider the non-financial key performance indicators of the business to be:

- Consumer satisfaction
- Health and safety compliance
- Quality assurance
- Supplier satisfaction with payment terms

The directors regularly review performance in these areas with employees responsible for each area.

NATURES MENU LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Section 172(1) statement

The following disclosure forms the statement required under section 414CZA of the Companies Act 2006 (the "Act") and sets out how the Board has considered stakeholder views and met the requirements of Section 172(1) of the Act in Board discussions and decision-making throughout the financial year.

Principal decisions

The directors act in good faith to promote the company for the benefit of all its members.

The directors' principal decisions are made in pursuance of the overall strategy of the company and in making these decisions the directors have regard to the company's various stakeholders (as discussed further below). The business has a three-year strategic plan with specific growth targets in mind and methodologies regarding investment in existing and new brands to achieve the targets that will enable the company to deliver a growing EBITDA over that period.

During the year, the risks of COVID-19 and Brexit on our supply chain resulted in the company increasing its holding of both raw materials and finished products ahead of the year end and will be seeking external advice to ensure any supply chain risks are minimised so as to continue to avoid any disruption to supplying customers.

Stakeholder Engagement

Building strong relationships with key stakeholders is imperative to the long-term success of our business, and we recognise that it is only by engaging with stakeholders that we can understand the issues that matter to them and make responsible, sustainable decisions that have regard for their interests.

- ***Customers***

We have a team of dedicated regional account managers and merchandisers who engage closely with our trade customers ensuring that we listen to and act on their feedback, share our brand development plans with them and help to ensure that we maintain our consistent levels of quality and service. During the COVID 19 pandemic this has presented its challenges but there has been no lack of effort despite that. In addition, communication with trade customers is reinforced by our team of customer delivery representatives on a regular basis enabling all feedback to be both up to date and relevant.

- ***Employees***

Results for the year could not have been achieved without the efforts of all employees and the company continues to involve and consult with employees wherever possible to ensure that all issues impacting on their health and safety and general welfare are addressed. In response to COVID 19 conditions we have invested significantly to enable employees to work from home wherever possible. Our COVID Committee at the production facility at Snetterton have acted in accordance with all government guidance to minimise the risk to our colleagues who have continued to attend to help the company throughout the pandemic.

- ***Financial institutions***

We have engaged with our financiers throughout this period and have maintained this relationship albeit the company is currently cash positive as the directors assess that maintaining this relationship is essential for the future development of the company.

NATURES MENU LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Section 172(1) statement (continued)

- **Suppliers**

Our commercial and purchasing teams work closely with suppliers to ensure they have a complete understanding of the standards that we expect from them and, in return, we ensure they are dealt with fairly in terms of pricing and adhering to any agreed payment terms.

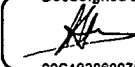
- **Community and Environment**

The company's approach is to use our successful position to create positive change for the people and communities with which we interact. The installation of a PV renewable energy system and the maintenance of annual plans to reduce employee car use are two examples. In 2021 the company will be formally reporting sustainability indicators and ensuring that we are able to highlight how our actions are positively influencing these indicators.

- **Shareholders**

The owners of the company focus on shareholder value both in terms of maintaining current profitability and brand development plans in the short term and adherence to the company's strategic growth plans over the longer term. The directors consider the key stakeholders of the company to be our retail trade and wholesale customers, the pet owners that buy our pet food either from high street retailers or direct from our website, our colleagues, financiers and suppliers both within the UK and the EU. The Board is committed to openly engaging with our shareholders as we recognise the importance of a continuing effective dialogue to ensure that business strategy and shareholder aspirations are aligned. This is achieved with formal quarterly Board meetings and more frequent informal discussion.

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

DocuSigned by:


20C10386897548B...
Mr A J M Pastor

Director
Registered office:
Falcon Road,
Snetterton,
Norfolk,
NR16 2FB

Date: 07-08-2022 | 8:46 CEST

NATURES MENU LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

Results and dividend

In accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the review of the development and performance of the business, including key performance indicators, along with details of future developments is contained in the Strategic Report.

The profit for the year, after taxation, amounted to £5,319,482 (2020: £5,398,762). During the year, the Company declared a dividend of £5,039,944 (2020: £Nil).

Directors

The directors who served during the year

Mr J J Garcia
Mr M J Gestl
Mr A J M Pastor

The company is a wholly owned subsidiary and the interests of the company directors are disclosed in the financial statements and annual report of the parent company.

Future developments

The directors are confident that continued investment in facilities and business and information systems will enable the company to actively pursue strategies that will enable it to be on the leading edge of product innovation whilst maintaining the core values of product quality and customer service that remain the foundation on which the business is built.

The directors are particularly pleased to report that the company has achieved a small increase in profit before taxation to £6.8 million during the year under review. The company has met so many challenges in 2021 and the directors recognise that whilst the indicators from the pandemic numbers are encouraging further supply chain challenges lie ahead as Brexit fully develops in 2022.

Financial instruments

The company uses various financial instruments, including loans and cash, and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the company's operations and capital projects.

The existence of these financial instruments exposes the company to several financial risks which are described in more detail below. The main risks arising from the company's financial instruments are credit risk, currency risk and interest rate risk.

The related risks, how the Board assesses these risks and the mitigating actions are discussed in our Strategic Report under "Principal risks and uncertainties".

Research and development activities

During the year, the company carried out research and development activity, developing freeze-drying processes and related products. The value of the research and development undertaken during the year equated to £2,082 (2020: £3,909).

NATURES MENU LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Streamlined Energy and Carbon Reporting (SECR)

Company consumption in kilowatt hours and emissions in CO₂ for the year ended 31st December 2021 was as follows (2020 numbers in brackets):

	Consumption Kwh	Tonnes CO ₂
LPG Gas – baking oven	2,245,651 (1,350,806)	553 (333)
Diesel for group van fleet	8,579,844 (7,478,316)	2,065 (1,800)
Diesel for group car fleet	155,000 (153,591)	37 (37)
Electricity – all sites	4,014,566 (3,541,231)	936 (826)
Totals	14,995,061 (12,523,944)	3,591 (2,996)

The intensity ratio is calculated with reference to tonnes of CO₂ per £1,000 of turnover. The intensity ratio for the year ended 31 December 2021 is 0.06428 (2020: 0.06252). BEIS Conversion factors have been used to convert energy use from Kilowatt hours to tonnes of CO₂.

The company is committed to lowering its carbon footprint in the forthcoming years. Environmental management remains a key priority for the group. The company's use of raw material from human grade food production processes minimises its environmental impact.

The company is currently working with its supplier base to ensure that all packing materials used can be widely recycled and that any packaging used to transport products to either trade or home delivery customs can also be recycled. The company has also invested in a sustainable solar PV system to demonstrate its commitment to good environmental practices.

Qualifying third party indemnity provisions

A qualifying third-party indemnity provision was in force for all directors throughout the year and to the date of these financial statements.

NATURES MENU LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

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

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

Post balance sheet events

Ukraine

The impacts of the situation developing in Ukraine cannot be assessed with any great certainty at the moment. The Directors will continue to take advice as events unfurl to try and mitigate adverse impacts on the Company as far as is possible.

NATURES MENU LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Going concern and COVID 19

As at 31 December 2021, the company has net assets of £13,984,152 and a cash balances of £2,727,130. The company profit after tax achieved for the year was £5,319,482. The Directors expect the company to continue to generate further growth and ongoing profitability.

As part of the assessment of going concern the Directors have considered the ongoing impact of COVID 19 along with implications brought about by the UK leaving the EU on the forecast revenue, EBITDA and cashflow taking into account the mitigating actions the Directors have implemented to maximise the company's available liquidity over the forecast period.


The going concern period formally assessed by the Directors is the period to 31 July 2023. The forecast for this period (and sensitivities performed) show that positive cash is maintained for the company. In addition to the cash headroom, the company has an invoice discounting facility (with a limit of £3.5m) which further increases the available headroom. As at the year end and as at the date of this report, the company has not drawn down any funds under this facility.

As a result, the Directors are satisfied that the company has sufficient resources and liquidity available and therefore have a reasonable expectation that the company will be able to continue in operational existence for the period to 31 July 2023, being the formal going concern period assessed by the Directors. The company therefore continue to adopt the going concern basis in preparing their financial statements.

Auditor

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

DocuSigned by:

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Mr A J M Pastor
Director

Date: 07-08-2022 | 8:46 CEST

NATURES MENU LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF NATURES MENU LIMITED

Opinion

We have audited the financial statements of Natures Menu Limited (the 'company') for the year ended 31 December 2021, which comprise the Statement of income and retained earnings, the Statement of financial position and the related notes on pages 17-36, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 31 July 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

NATURES MENU LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF NATURES MENU LIMITED (CONTINUED)

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 contained within the Annual Report.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

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 or the Directors' report.

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

- adequate accounting records have not been kept, 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 set out on page 9, 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.

NATURES MENU LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF NATURES MENU LIMITED (CONTINUED)

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the Companies Act 2006, the Financial Reporting Standard 102, HM Revenue & Customs regulations and other UK Tax Legislation.
- We understood how the company is complying with those frameworks by considering the potential for override of controls or other inappropriate influence over the financial reporting process (such as efforts by management to manage earnings), understanding the culture of honesty and ethical behaviour within the company, and observing whether a strong emphasis is placed on fraud prevention, which may reduce opportunities for fraud to take place.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by understanding which areas of the business present potential fraud risk areas through assessing the presence of opportunities, incentives or potential rationalisation to commit such acts fraud), understanding where these risks could present themselves and subsequently identifying the process level controls in place to prevent, or detect and correct them. Combining this with our review of entity level controls, which have evidenced management's behaviour and the culture embedded within the company, we have gained a detailed understanding of the overall susceptibility to fraud.
- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved direct enquiries with those charged with governance, as well as specific analysis and testing of legal expenses incurred in the period to ascertain the nature of such costs and confirm their non-relation to non-compliance with applicable laws and regulations. In addition, we performed detailed testing around manual journals for identified fraud risks, corroborating balances where necessary to underlying supporting documentation. The results of this procedure did not identify any such instances of irregularities, including fraud.

A further description of our responsibilities for the audit of the 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.

NATURES MENU LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF NATURES MENU LIMITED (CONTINUED)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

Ernst & Young LLP

Rachel Wilden (Senior statutory auditor)
for and on behalf of
Ernst & Young LLP
Statutory Auditor
Cambridge, United Kingdom
Date: 8th July 2022

NATURES MENU LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	55,862,848	47,917,112
Cost of sales		(29,302,657)	(25,057,035)
Gross profit		26,560,191	22,860,077
Distribution costs		(9,935,769)	(7,764,183)
Administrative expenses		(9,862,165)	(8,288,327)
Operating profit	5	6,762,257	6,807,567
Interest receivable and similar income	9	27,359	12
Interest payable and similar expenses	10	(8,146)	(97,740)
Profit before tax		6,781,470	6,709,839
Tax on profit	11	(1,461,988)	(1,311,077)
Profit after tax		5,319,482	5,398,762
Retained earnings at the beginning of the year		13,679,614	8,280,852
Profit for the year		5,319,482	5,398,762
Dividends declared and paid		(5,039,944)	-
Retained earnings at the end of the year		13,959,152	13,679,614

All the activities of the Company are from continuing operations.

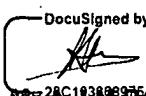
The notes on pages 17 to 36 form part of these financial statements.

NATURES MENU LIMITED
REGISTERED NUMBER: 01548073

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	13	150,295	358,725
Tangible assets	14	6,069,692	5,756,402
Investments	15	-	20,326
		<u>6,219,987</u>	<u>6,135,453</u>
Current assets			
Stocks	16	4,112,413	3,532,345
Debtors: amounts falling due within one year	17	9,691,384	6,801,113
Cash at bank and in hand		2,727,130	8,511,162
		<u>16,530,927</u>	<u>18,844,620</u>
Creditors: amounts falling due within one year	18	(7,947,542)	(10,735,545)
Net current assets		<u>8,583,385</u>	<u>8,109,075</u>
Total assets less current liabilities		<u>14,803,372</u>	<u>14,244,528</u>
Creditors: amounts falling due after more than one year	19	(14,978)	(138,116)
Provisions for liabilities			
Deferred tax	21	(700,704)	(298,260)
Other provisions	22	(103,538)	(103,538)
Net assets		<u><u>13,984,152</u></u>	<u><u>13,704,614</u></u>
Capital and reserves			
Called up share capital	23	25,000	25,000
Profit and loss account	24	13,959,152	13,679,614
		<u><u>13,984,152</u></u>	<u><u>13,704,614</u></u>

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

DocuSigned by:

 Mr A J M Pastor
 Director

Date: 07-08-2022 | 8:46 CEST

The notes on pages 17 to 36 form part of these financial statements.

NATURES MENU LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The company is a private company limited by shares, registered in England and Wales.

The address of the registered office is Natures Menu Limited, Falcon Road, Snetterton, Norfolk, NR16 2FB.

Statement of compliance

These individual 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 Republic of Ireland' (effective March 2018) ('FRS 102'), and with the companies Act 2006.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The company is exempt from the obligation to prepare and deliver group accounts under s400 of the Companies Act 2006 as the results of the company are included within the consolidated financial statements of Anexhold Limited as at 31 December 2021.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Anexhold Limited as at 31 December 2020 and these financial statements may be obtained from Companies House.

NATURES MENU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.3 Going concern

As at 31 December 2021, the company has net assets of £13,984,152 and a cash balances of £2,727,130. The company profit after tax achieved for the year was £5,319,482. The Directors expect the company to continue to generate further growth and ongoing profitability.

As part of the assessment of going concern the Directors have considered the ongoing impact of COVID 19 along with implications brought about by the UK leaving the EU on the forecast revenue, EBITDA and cashflow taking into account the mitigating actions the Directors have implemented to maximise the company's available liquidity over the forecast period.

The going concern period formally assessed by the Directors is the period to 31 July 2023. The forecast for this period (and sensitivities performed) show that positive cash is maintained for the company. In addition to the cash headroom, the company has an invoice discounting facility (with a limit of £3.5m) which further increases the available headroom. As at the year end and as at the date of this report, the company has not drawn down any funds under this facility.

As a result, the Directors are satisfied that the company has sufficient resources and liquidity available and therefore have a reasonable expectation that the company will be able to continue in operational existence for the period to 31 July 2023, being the formal going concern period assessed by the Directors. The company therefore continue to adopt the going concern basis in preparing their financial statements.

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'interest receivable and similar income or interest payable and similar charges'. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

NATURES MENU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.5 Turnover

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

Sale of goods

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

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

2.6 Operating leases: the company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in income in the period in which it becomes receivable.

2.8 Interest receivable and similar income

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

2.9 Interest payable and similar charges

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

NATURES MENU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.10 Pensions

Defined contribution pension plan

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

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

2.11 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

NATURES MENU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.12 Intangible assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

The estimated useful lives range as follows:

Website	-	3	years
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Amortisation of intangible assets is included within administrative expenses within the statement of income and retained earnings.

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

NATURES MENU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.13 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 3 - 10 years straight line
Plant and machinery	- 3 - 10 years straight line
Motor vehicles	- 3 - 5 years straight line
Fixtures and fittings	- 3 - 5 years straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Valuation of investments

Fixed asset investments, including investments in subsidiaries, are initially recorded at cost and subsequently stated at cost less any accumulated impairment losses.

2.15 Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of their fair value of the assets and the present value of the minimum lease payments, which are determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

2.16 Stocks

Stocks are measured at the lower of cost, measured by weighted average cost, and estimated selling price less costs to complete and sell. The cost of finished goods and work in progress includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.

At each reporting date, the company estimates net realisable value and recognises the difference between cost and net realisable value in profit and loss. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

NATURES MENU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.17 Debtors

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

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.19 Creditors

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

2.20 Provisions for liabilities

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

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

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

NATURES MENU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.21 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of income and retained earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

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

NATURES MENU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.22 Dividends

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

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Useful economic lives of intangible assets and tangible fixed assets

The annual depreciation and amortisation charge for intangible and tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of tangible assets, note 13 for the carrying amount of intangible assets and note 2.12 and 2.13 for the useful economic lives for each class of assets.

(ii) Provisions

Provisions are made for dilapidations. The provision requires managements best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of cash flows and discount rates used to establish net present value of obligations require managements judgements. See note 22 for the disclosures relating to the dilapidations provision.

(iii) Taxation

The company establishes provisions based on reliable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. See note 21 for the disclosures relating to the deferred tax provision.

(iv) Recoverability of trade debtors

The company makes an estimate of the recoverable value of trade debtors. When assessing the recoverability of trade debtors, management considers factors including the current credit rating, the age profile and historical experience. See note 17 for the net carrying amount of trade debtors and the associated allowance for doubtful accounts.

NATURES MENU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Turnover

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

	2021 £	2020 £
Sale of goods	55,862,848	47,917,112
	<u>55,862,848</u>	<u>47,917,112</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	54,912,068	44,795,565
Rest of Europe	729,772	2,886,128
Rest of the world	221,008	235,419
	<u>55,862,848</u>	<u>47,917,112</u>

5. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Research & development charged as an expense	2,082	3,909
Exchange differences	162,686	(119,854)
Other operating lease rentals	486,998	369,995
Impairment of trade debtors	9,276	9,180
Amortisation of intangible assets (note 13)	208,430	200,922
Depreciation of tangible assets (note 14)	1,211,851	1,382,751
Loss on disposal of tangible assets	68,513	164
	<u>1,949,236</u>	<u>1,857,017</u>

6. Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	40,601	23,220
	<u>40,601</u>	<u>23,220</u>

NATURES MENU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Employees

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

	2021	2020
	£	£
Wages and salaries	8,590,549	7,163,056
Social security costs	795,203	697,840
Cost of defined contribution scheme	165,152	143,910
	<u>9,550,904</u>	<u>8,004,806</u>

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

	2021	2020
	No.	No.
Distribution staff	104	96
Production staff	85	84
Sales and marketing staff	38	31
Administrative staff	31	21
Management staff	2	5
	<u>260</u>	<u>237</u>

8. Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	-	47,680
Company contributions to defined contribution pension schemes	-	2,655
	<u>-</u>	<u>50,335</u>

During the year retirement benefits were accruing to no directors (2020 - 3) in respect of defined contribution pension schemes.

During the year, three (2020: four) of the directors were employed and remunerated by other group undertakings. The company received a management charge of £76,797 (2020: £67,697) which included charges for these directors but it is not possible to separately identify these.

No director exercised share options or received shares for qualifying services in either the current or prior year.

NATURES MENU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Other interest receivable and similar income

	2021 £	2020 £
Interest receivable from group companies	27,352	-
Other interest receivable	7	12
	<u>27,359</u>	<u>12</u>

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	8	27
Loans from group undertakings	-	76,492
Finance leases and hire purchase contracts	8,138	21,221
	<u>8,146</u>	<u>97,740</u>

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	1,059,544	1,252,913
Total current tax	<u>1,059,544</u>	<u>1,252,913</u>
Deferred tax		
Origination and reversal of timing differences	402,444	58,164
Total deferred tax	<u>402,444</u>	<u>58,164</u>
Taxation on profit on ordinary activities	<u>1,461,988</u>	<u>1,311,077</u>

NATURES MENU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Taxation (continued)

Factors affecting tax charge for the year

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

	2021 £	2020 £
Profit on ordinary activities before tax	6,781,470	6,709,839
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	1,288,479	1,274,869
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	16,676	4,206
Other timing differences leading to an increase (decrease) in taxation	(1,551)	28,956
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	2,396	3,046
Adjust deferred tax to closing rate	168,169	-
Group relief	(12,181)	-
Total tax charge for the year	1,461,988	1,311,077

Factors that may affect future tax charges

The tax rate for the current year is the same as the prior year. The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing Covid 19 pandemic. These include increasing the main rate of corporation tax to 25% from 1 April 2023. These changes have been substantively enacted and therefore deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

12. Dividends

	2021 £	2020 £
Dividends on ordinary shares	5,039,944	-
	5,039,944	-

NATURES MENU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Intangible assets

	Website £
Cost	
At 1 January 2021	606,531
At 31 December 2021	606,531
Amortisation	
At 1 January 2021	247,806
Charge for the year on owned assets	208,430
At 31 December 2021	456,236
Net book value	
At 31 December 2021	150,295
<i>At 31 December 2020</i>	358,725

Intangible assets comprise of website costs for Natures Menu and True Instinct brands along with a trade website, all of which are to be amortised over a period of 3 years. As at the balance sheet date the carrying value of the Natures Menu website equates to £75,443, with a remaining amortisation period of 10 months. The carrying value of the True Instinct website equates to £48,972 with a remaining amortisation period of 8 months. The carrying value of the trade website equates to £25,880 with a remaining amortisation period of 14 months.

NATURES MENU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2021	213,623	8,716,396	1,329,222	629,269	10,888,510
Additions	8,929	1,462,499	-	70,796	1,542,224
Disposals	-	-	(465,012)	-	(465,012)
At 31 December 2021	<u>222,552</u>	<u>10,178,895</u>	<u>864,210</u>	<u>700,065</u>	<u>11,965,722</u>
Depreciation					
At 1 January 2021	157,158	3,548,028	972,970	453,952	5,132,108
Charge for the year	4,183	920,676	172,465	114,527	1,211,851
Disposals	-	-	(447,929)	-	(447,929)
At 31 December 2021	<u>161,341</u>	<u>4,468,704</u>	<u>697,506</u>	<u>568,479</u>	<u>5,896,030</u>
Net book value					
At 31 December 2021	<u>61,211</u>	<u>5,710,191</u>	<u>166,704</u>	<u>131,586</u>	<u>6,069,692</u>
At 31 December 2020	<u>56,465</u>	<u>5,168,368</u>	<u>356,252</u>	<u>175,317</u>	<u>5,756,402</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Plant and machinery	58,550	72,830
Motor vehicles	127,073	371,601
	<u>185,623</u>	<u>444,431</u>

NATURES MENU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Fixed asset investments (Investment in Natures Menu Gmbh (Germany))

	Investments in subsidiary companies £
At 1 January 2021 (net value)	20,326
Impairment	(20,326)
	<hr/>
At 31 December 2021 (net value)	-
Net book value	
At 31 December 2021	<hr/> <hr/>

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Natures Menu Petfoods Limited (dormant)	22-26 King Street, Kings Lynn Norfolk, PE30 1HJ	Ordinary	100%
Natures Menu Gmbh	Amsterdamm 102, 2877 Bremen, Germany	Ordinary	100%

16. Stocks

	2021 £	2020 £
Raw materials and consumables	1,206,112	967,526
Work in progress (goods to be sold)	647,469	548,481
Finished goods and goods for resale	2,258,832	2,016,338
	<hr/>	<hr/>
	4,112,413	3,532,345
	<hr/> <hr/>	<hr/> <hr/>

The carrying value of stocks are stated net of impairment losses totaling £Nil (2020 - £Nil).

NATURES MENU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Debtors

	2021 £	2020 £
Trade debtors	6,557,879	5,743,645
Amounts owed by parent undertakings	2,378,621	127,227
Amounts owed by subsidiary undertakings	-	325,986
Prepayments and accrued income	754,884	604,255
	<u>9,691,384</u>	<u>6,801,113</u>

Trade debtors are stated after provisions for impairment of £27,922 (2020: £21,512).

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

18. Creditors: Amounts falling due within one year

	2021 £	2020 £
Obligations under finance lease and hire purchase contracts	120,116	178,173
Trade creditors	3,672,317	2,955,605
Amounts owed to parent undertakings	-	2,844,969
Corporation tax	566,379	986,386
Other taxation and social security	902,937	1,800,026
Other creditors	5,639	10,161
Financial instruments	34,687	-
Accruals and deferred income	2,645,467	1,960,225
	<u>7,947,542</u>	<u>10,735,545</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The finance lease and hire purchase debt is secured on the asset the debt was used to purchase.

NATURES MENU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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19. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	14,978	138,116
	<u>14,978</u>	<u>138,116</u>

The finance lease hire purchase debt is secured on the asset the debt was used to purchase.

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	124,532	184,715
Between 1-5 years	15,079	141,124
	<u>139,611</u>	<u>325,839</u>

21. Deferred taxation

	2021 £
At beginning of year	(298,260)
Charged to profit or loss	(402,444)
At end of year	<u>(700,704)</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(700,704)	(298,260)
	<u>(700,704)</u>	<u>(298,260)</u>

NATURES MENU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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22. Provisions

	Dilapidation s £
At 1 January 2021	103,538
At 31 December 2021	<u>103,538</u>

The dilapidation provision has been recognised to reflect the estimated cost of returning leased premises back to their original condition, as specified by the lease agreement. These costs are expected to occur at the end of the lease agreement, being 30 September 2023.

23. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
25,000 (2020 - 25,000) Ordinary shares of £1.00 each	<u>25,000</u>	<u>25,000</u>

24. Reserves**Profit and loss account**

This reserve records distributable retained earnings and accumulated losses.

25. Contingencies

A cross guarantee and debenture to Barclays Bank plc were registered on 20 October 2012 between Anexhold Limited, Anglia Meat Products Limited and Natures Menu Limited.

26. Pension commitments

The amount recognised in profit or loss as an expense in relation to defined contribution pension plans was £165,152 (2020: £143,910).

At the balance sheet date there were outstanding contributions of £Nil (2020: £Nil).

NATURES MENU LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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27. Commitments under operating leases

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

	2021 £	2020 £
Not later than 1 year	640,866	291,739
Later than 1 year and not later than 5 years	877,932	598,195
Later than 5 years	116,210	151,669
	<u>1,635,008</u>	<u>1,041,603</u>

28. Related party transactions

The company is controlled by Predict S.L.U, who own 100% of the share capital in the immediate parent company, Anexhold Limited.

During the year the company traded with Affinity Petcare SA., a member of the Agrolimen SA. group. Transactions were undertaken as follows: net sales £103,953 (2020: £890,578); net purchases £1,442,614 (2020: £1,417,201). As at the balance sheet date a balance of £22,109 was due to the Company (2020: £127,227) and £302,671 (2020: £nil) was owed by the Company.

No further transactions with related parties were undertaken such as are required to be disclosed under FRS 102.

29. Post balance sheet events**Ukraine**

The impacts of the situation developing in Ukraine can not be assessed with any great certainty at the moment. The Directors will continue to take advice as events unfurl to try and mitigate adverse impacts on the Company as far as is possible.

30. Controlling party

The company's immediate parent company is Anexhold Limited, a company registered in England and Wales. Anexhold Limited is the smallest group to consolidate the financial statements. The registered office of Anexhold Limited is Natures Menu Limited, Falcon Road, Snetterton, Norfolk NR16 2FB.

The ultimate parent undertaking and the largest group to consolidate the financial statements is Agrolimen SA. The registered office of Agrolimen SA. is Plaza Europa, 54 P 4, 08902, Hospitalet De Llobregat, Barcelona, Spain.