

Company Registration No. 00374033 (England and Wales)

NEWLY WEDS FOODS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021

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NEWLY WEDS FOODS LIMITED

COMPANY INFORMATION

Directors	C Angell B Johnson T Whelan
Secretary	Abogado Nominees Limited
Company number	00374033
Registered office	Owl Lane Ossett West Yorkshire WF5 9AX
Auditor	RSM UK Audit LLP Chartered Accountants Central Square 5th Floor 29 Wellington Street Leeds LS1 4DL

NEWLY WEDS FOODS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Fair review of the business

The company has again continued to incur expenditure on re-shaping the business of £0.8 million (2020 - £2.2 million) to enable it to continue to operate efficiently and meet the increasing demands of its customer base, whilst helping to develop new relationships and market opportunities.

The company has decreased its inventory holding at the year end by £0.8 million to £9.4 million (2020 - £10.2 million) despite high demand but primarily to help to reduce working capital to pre-Brexit levels. As a consequence of lower inventory, raw material purchases were also reduced in the run up to year end decreasing the level of trade creditors by £0.3 million to £20.7 million (2020 - £21.0 million).

The company has seen good revenue growth in the year from both a volume and value point of view, with sales value increasing by £11.6 million (2020 - £6.8 million) reflecting the positive impact of more focused selling prices, continued growth into new markets and a positive impact from exchange rates. The impact of COVID-19 on our top line sales was minimal overall in 2021, with far less significant swings between sales in different categories than that experienced in 2020.

New market growth continues through entry into new geographic market places, the development of our sales mix and the opportunities following the acquisition of Jigsaw Foods by parent company Newly Weds Foods Acquisition Limited during 2019.

The revenue growth has also contributed to achieving a strong gross profit margin of 22.6% (down 3.2% on 2020). This is partly due to increased competitor activity and higher raw material costs due, amongst other things, to the continued impact of the Brexit Referendum and increasing energy costs. This is being countered by our continued effort to eliminate low margin/ loss leader products and good management of the pricing pressures associated with raw materials across the industry.

Whilst the ingredients market in the UK and Europe continues to be highly competitive, the company continues to maintain strong positive relationships with its key customers and suppliers, whilst at the same time maintaining a good reputation for the products it has developed over the years.

Profit after taxation for the financial year was £10.0 million (2020 - £14.7 million), as a result of the reduction in gross profit described above and associated increases in distribution costs and administrative expenses.

Key performance indicators

The directors monitor the performance of the company in various ways. In conjunction with the management of costs and working capital to help improve operating profit, the company also uses a number of KPI's to monitor its performance as follows:

- Total Turnover - £141.9 million in 2021, being an increase of £11.6 million or 8.9% compared to £130.3 million in 2020, as described above;
- Gross margin being profit after allowing for cost of sales and delivery costs (included in distribution costs) - decreased marginally to 22.6% (2020 – 22.9%) due to increasing raw material costs driven in part by the Brexit Referendum and higher energy costs coupled with some compression of margins defending business due to continued competitor activity;
- Return on Capital Employed (ROCE) being profit before tax as a percentage of shareholders' funds plus provision for liabilities and charges - the company aims to increase shareholder value and measures performance against this objective by measuring ROCE. The company has achieved its target ROCE of 25% for 2021. The company continues to strive to make better use of capital employed by improving efficiencies and changing its product mix as mentioned in the business review above.

The company continues to invest in equipment at its 3 facilities in the UK, to enable it to operate more effectively. It also continues to invest in its people. Continual training is key to this, and it is committed to a high standard of training in food safety and hygiene and the health and safety of its staff.

In addition, the company also operates internal policies in relation to production efficiency, wastage, stock management and customer complaints along with risk assessment procedures to minimise both operational and financial risks and hence maintain profitability.

NEWLY WEDS FOODS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial risk management objectives and policies

The company's operations expose it to a variety of risks that include foreign currency and interest rate exposure, credit risk, liquidity risk, competitor activity, commodity price volatility and business continuity risks. The chief financial officer of the company, along with key managers within the company meet regularly to identify and manage risk.

The company does have some exposure to fluctuations in foreign currency exchange rates and consequently does use derivative instruments to manage that exposure as it deems necessary, however no such instruments were in place either at the current or prior year-ends.

The company's principal financial instruments comprise Sterling, Euro and US dollar cash and bank deposits and other loans together with trade debtors and trade creditors that arise directly from its operations.

The main risks arising from the company's financial instruments can be analysed as follows:

Price risk

The company has no significant exposure to securities price risk, as it holds no listed equity investments.

Foreign currency risk

The company is exposed in its trading operations to the risk of changes in foreign currency exchange rates. A small number of specific hedging instruments have been used in the year to cover this but, given the level of trading denominated in foreign currencies and the fact that the company both buys and sells goods within Europe, the company considers this to be enough when combined with this natural hedge to reduce the overall risk to an acceptable level. The main foreign currencies in which the company operates are the Euro and US dollar. The company does use derivative instruments to manage that exposure as it deems necessary, however no such instruments were in place either at the current or prior year-ends.

Credit risk

The company's principal financial assets are bank balances, cash, and trade debtors which represent the company's maximum exposure to credit risk in relation to financial assets. The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by management based on prior experience and their assessment of the current economic environment. Credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity and cash flow risk

The company currently operates with net cash reserves and has access to further funding lines, where necessary, through its ultimate parent company, Newly Weds Foods Inc.

Interest rate risk

Interest bearing assets comprise cash and bank deposits, all of which earn interest. The company has no overdraft or other borrowings and therefore it currently has no exposure to significant changes in interest rates. The directors continue to monitor the overall funding structure to limit any potential adverse effects interest rate fluctuations may have on the financial performance of the company.

Competitive risk

The company continues to be committed to differentiate itself from the competition through innovation/ R&D and excellent customer service/ support.

Commodity price volatility

The company manages the volatility of specific raw material prices, specifically wheat and herbs and spices, by purchasing either physical stocks or monitoring wheat and other raw material future markets.

Business continuity

The company has contingency plans in place for purchasing raw materials, blending, baking and both sauce and pellet manufacturing and reviews these plans on a regular basis.

NEWLY WEDS FOODS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Future developments

The focus of the directors is to improve the efficiency and performance of operations across mainland Europe. In doing so the directors will consider the suitability of the current business structure and invest in new/ existing areas as they see fit.

Whilst the business continues to build a solid foundation to support future growth, it does expect the tough trading environment to continue over the coming years. It remains determined to keep investing in whichever technologies will maintain or grow its customer base and keep it at the forefront of the food ingredients sector.

COVID-19 is not expected to have a significant impact on the entity next year with the ratio of Food Service to Retail based sales being virtually back to normal operating levels in 2021.

With Brexit having happened on 1 January 2021, the company has taken actions and measures to mitigate the potential impact of tariffs and additional expense that the business may incur. To this end the directors are confident that they have considered the risks that Brexit brought and continues to bring and that sufficient measures are in place to enable the business to continue to operate and meet its liabilities as they fall due in the coming year.

Section 172 statement

Newly Weds Foods Limited is one of the UK manufacturing arms of Newly Weds Foods Acquisition Limited, which is the UK group parent company. Central decision making, including consideration of stakeholder needs, occurs at the group board level. The statements made below are in respect of those decisions made by the directors of the UK group.

In the year the company made several key decisions which affected the business. In making these key decisions in 2021 the company has had to balance the needs and requirements of our key stakeholders. These include our only shareholder, employees, customers, suppliers, and other stakeholders such as the environment and local community:

- Parent company Newly Weds Foods Acquisition Limited's acquisition of Jigsaw Foods Limited in 2019 has continued to have a positive benefit for the company during 2021 as customer relationships with Jigsaw Foods Limited have opened up new opportunities for Newly Weds Foods Limited;
- The company decided to pay a dividend of £9.4 million (2020 - £nil) to its UK parent;
- The board decided to decrease stocks at the year-end following the high levels held for Brexit at the end of 2020, in order to help working capital get back to the target needs of the parent company.

The interests of the above key stakeholders are not always totally compatible and may even be mutually exclusive at times. Therefore, the company has to constantly assess the needs and requirements of all key stakeholders and attempt to find the right balance where decisions may affect more than one stakeholder. At all times the company remains ethical in its dealings with key stakeholders and attempts to keep all key stakeholders informed of relevant business decisions.

In making long term decisions about the future of the company, at all times we have the requirements of our key stakeholders to bear in mind. The board take our responsibility to ESG (Economic Social and Corporate Governance) extremely seriously and the likely consequences of all our long-term decision-making is part of our ongoing risk management process.

The culture of the company is one of support and inclusiveness with the aim of ensuring our business is sustainable in the long run. We aim to be an equal opportunities employer at all times and deal fairly and ethically with all stakeholders. Robust procedures are in place for conflict resolution.

NEWLY WEDS FOODS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Community and environment

The board supports the company's goals and initiatives with regard to reducing adverse impacts on the environment and supporting the communities that it affects. Please refer to our Social Responsibility Report on our website for additional details. The board continues to give further consideration in 2022 to the company's approach to climate change and further measures we can take to contribute to the reduction of our impact on the environment.

Business relationships

We engage with our customers and suppliers about changing needs within the supply chain and changing demands within our marketplace. The company continues to monitor feedback from customers and alters its sales channels to meet their needs, be that changes in geographical reach, delivery method, pricing or service levels.

Employee engagement

The directors ensure employees are kept informed regarding the company's affairs through regular communications, company wide initiatives, site meetings and members of the management team regularly visit our various sites in the UK to discuss the impact to the employee group, of key decisions within the business.

On behalf of the board

Brian E Johnson

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B Johnson

Director

22/08/22
Date:

NEWLY WEDS FOODS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Principal activities

The principal activity of the company continued to be that of the manufacture, processing and distribution of food ingredients.

There have been no significant changes in the company's principal activity in the year under review. The directors are not aware of any likely significant changes in the company's activities in the next year.

Directors

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

C Angell

B Johnson

J Seely

T Whelan

(Resigned 1 September 2021)

(Appointed 1 January 2022)

Results and dividends

The results for the year are set out on page 11.

Ordinary dividends were paid amounting to £9.4 million (2020 - £nil). The directors do not recommend payment of a further dividend.

Research and development

The company maintains a research and development centre at its Ossett and Banbury sites. The directors believe that the continued investment in this area is critical to the future growth of the business and also in maintaining the company's market position and reputation. Expenditure for research and development (included in distribution costs) amounted to £1.4 million (2020 - £2.3 million).

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

The company is committed to equal opportunity in all employment practices, policies and procedures. This means that no employee or potential employee will receive less favourable treatment due to race, religion, nationality, age, sex, sexuality or disability.

Carbon reporting

The company's disclosures in relation to its UK energy use and carbon emissions have been included on a consolidated basis within the financial statements of its immediate parent company, Newly Weds Foods Acquisition Limited.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

NEWLY WEDS FOODS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments and financial risk management objectives and policies.

Statement of disclosure to auditor

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

On behalf of the board

Brian E Johnson

.....

B Johnson

Director

Date: 22/08/22

NEWLY WEDS FOODS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the Strategic Report and 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWLY WEDS FOODS LIMITED

Opinion

We have audited the financial statements of Newly Weds Foods Limited (the 'company') for the year ended 31 December 2021 which comprise Statement of Income and Retained Earnings, Statement of Financial Position and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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;
- 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 a period of at least twelve months from when the financial statements are authorised for issue.

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

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.

Opinions 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWLY WEDS FOODS LIMITED (CONTINUED)

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 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWLY WEDS FOODS LIMITED (CONTINUED)

The extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, completion of disclosure checklists to identify areas of non-compliance and inspection and review of tax workings and computations prepared by the company's tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to food safety. We performed audit procedures to inquire of management and those charged with governance, inspected documentation and (where relevant) inspected correspondence with licensing or regulatory authorities to understand whether the company is in compliance with the applicable laws and regulations.

The audit engagement team identified the risk of management override of controls and revenue recognition (cut-off) as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed in respect of management override of controls included but were not limited to testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made and assumptions used in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that were unusual or outside the normal course of business. Audit procedures performed in respect of revenue recognition (cut off) included but were not limited to reviewing sales transactions close to and around the year end date to determine transactions were accounted for in the correct period based on the date goods were delivered to customers.

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

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.

RSM UK Audit LLP

Finlay Lamont (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Central Square

5th Floor

29 Wellington Street

Leeds

LS1 4DL

23.08.2022

NEWLY WEDS FOODS LIMITED

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

	Notes	2021 £000	2020 £000
Turnover	3	141,861	130,312
Cost of sales		(109,795)	(96,667)
Gross profit		32,066	33,645
Distribution costs		(14,544)	(12,229)
Administrative expenses		(4,631)	(2,790)
Other operating income		357	265
Operating profit	6	13,248	18,891
Interest receivable and similar income		-	10
Interest payable and similar expenses	8	(68)	(191)
Profit before taxation		13,180	18,710
Tax on profit	9	(3,209)	(3,987)
Profit for the financial year		9,971	14,723
Retained earnings brought forward		34,811	20,088
Dividends	10	(9,437)	-
Retained earnings carried forward		35,345	34,811

NEWLY WEDS FOODS LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Notes	2021 £000	2020 £000
Fixed assets			
Goodwill	11	233	512
Tangible assets	12	10,285	11,181
		<u>10,518</u>	<u>11,693</u>
Current assets			
Stocks	14	9,435	10,230
Debtors	15	26,598	24,360
Cash at bank and in hand		29,624	28,822
		<u>65,657</u>	<u>63,412</u>
Creditors: amounts falling due within one year	16	<u>(33,425)</u>	<u>(33,425)</u>
Net current assets		<u>32,232</u>	<u>29,987</u>
Total assets less current liabilities		<u>42,750</u>	<u>41,680</u>
Provisions for liabilities	17	<u>(2,405)</u>	<u>(1,869)</u>
Net assets		<u>40,345</u>	<u>39,811</u>
Capital and reserves			
Called up share capital	20	5,000	5,000
Profit and loss reserves	21	35,345	34,811
Total equity		<u>40,345</u>	<u>39,811</u>

22/08/22

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

Brian E Johnson

.....
B Johnson
Director

NEWLY WEDS FOODS LIMITED

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

1 Accounting policies

Company information

Newly Weds Foods Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office and principal place of business is Owl Lane, Ossett, West Yorkshire, WF5 9AX.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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 £000.

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

Reduced disclosures

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

Newly Weds Foods Limited is a wholly owned subsidiary of Newly Weds Foods Acquisition Limited and the results of Newly Weds Foods Limited are included in the consolidated financial statements of Newly Weds Foods Acquisition Limited which are available from Owl Lane, Osset, Wakefield, WF5 9AX.

Consolidation

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Going concern

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, including the implications of COVID-19, Brexit, and the impact of the war in Ukraine show that the company will be able to meet its liabilities as they fall due for a period of at least 12 months following the date of approval of the financial statements. Management's assessment relating to going concern covers a period up to 31 August 2023.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

NEWLY WEDS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Turnover

Turnover is the revenue arising from the sales of goods. It is stated at fair value of the consideration receivable, net of value added tax, rebates and discounts.

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.

Other revenues relate to interest income and the sale of waste products.

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

Revenue from the sale of waste products is recognised when title has been passed to the buyer on dispatch of the goods.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Research and development

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

Tangible fixed assets

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

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

Leasehold property	over the remaining lease term
Plant and machinery	between 5% - 50% straight line

Assets in the course of construction are not depreciated. Such assets are transferred to plant and machinery or leasehold property on completion and are depreciated from this date.

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.

NEWLY WEDS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

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 a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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 is estimated to be less than its carrying amount, the carrying amount of the asset 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.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell, after making due allowance for obsolete and slow moving items. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For finished goods cost is taken as a production cost, which includes an appropriate proportion of attributable overheads.

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.

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 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 trade and other debtors, cash and bank balances and amounts owed by group undertakings, 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

NEWLY WEDS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including trade creditors, amounts owed to group undertakings and accruals, 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.

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

Derecognition of financial liabilities

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of 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.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

NEWLY WEDS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

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.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Rentals payable under operating leases are charged to income 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 lease asset are consumed.

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.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

NEWLY WEDS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements and key sources of estimation uncertainty

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

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

Management do not consider there to be any significant judgements relating to the company's financial statements, other than those including estimation uncertainty.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Stock provisioning

The company manufactures, processes and distributes food ingredients and is subject to changing consumer demands. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 14 for the net carrying amount of the stock and impairment loss recognised.

Useful economic lives of fixed assets

The annual depreciation and amortisation charges for tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. Assets under construction are transferred to leasehold property and plant and machinery when the respective assets are adjudged to be brought into use. See note 1 for the depreciation and amortisation rates used, note 12 for the carrying amount of the property, plant and equipment and note 11 for the carrying amount of intangible assets.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021 £000	2020 £000
Turnover analysed by class of business		
Relating to manufacture, processing and distribution of food ingredients	141,861	130,312
	<u> </u>	<u> </u>
	2021 £000	2020 £000
Other revenue		
Interest income	-	10
Grants received	18	52
Other factory income	1	3
Sales from waste products	338	210
	<u> </u>	<u> </u>

NEWLY WEDS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

3 Turnover and other revenue (Continued)

	2021 £000	2020 £000
Turnover analysed by geographical market		
United Kingdom	74,185	67,545
Rest of Europe	55,791	52,830
Rest of the world	11,885	9,937
	<u>141,861</u>	<u>130,312</u>

4 Employees

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

	2021 Number	2020 Number
Production	418	386
Distribution	124	111
Administrative	48	48
Total	<u>590</u>	<u>545</u>

Their aggregate remuneration comprised:

	2021 £000	2020 £000
Wages and salaries	24,834	22,319
Social security costs	2,435	2,192
Pension costs	2,129	1,970
	<u>29,398</u>	<u>26,481</u>

5 Directors' remuneration

Directors are remunerated by the ultimate parent company, Newly Weds Foods Inc. During the year directors received no emoluments (2020 - £nil) in relation to the qualifying services provided to the company.

NEWLY WEDS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

6 Operating profit

	2021	2020
	£000	£000
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	380	(1,259)
Research and development costs	1,385	2,300
Government grants	(18)	(52)
Depreciation of owned tangible fixed assets	1,174	1,089
Impairment of owned tangible fixed assets	526	-
Amortisation of goodwill	279	279
Impairment of stocks recognised or reversed	438	309
Operating lease charges	2,349	2,234
	<u> </u>	<u> </u>

The £18,000 (2020 - £52,000) of grants received relate to the governments Coronavirus Job Retention Scheme ("CJRS"). CJRS was implemented by the United Kingdom government, and the scheme provides that those employees designated as being 'furloughed workers' are eligible to have 80 per cent of their wage costs paid up to a maximum amount of £2,500 per month. Due to the nature of the scheme, there are no unfulfilled conditions or contingencies.

7 Auditor's remuneration

	2021	2020
	£000	£000
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	51	48
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	7	7
Other taxation services	30	22
All other non-audit services	17	9
	<u> </u>	<u> </u>
	54	38
	<u> </u>	<u> </u>

8 Interest payable and similar expenses

	2021	2020
	£000	£000
Interest payable to group undertakings	68	177
Other interest payable	-	14
	<u> </u>	<u> </u>

NEWLY WEDS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

9 Taxation

	2021 £000	2020 £000
Current tax		
UK corporation tax on profits for the current period	2,618	3,413
Adjustments in respect of prior periods	(96)	46
Double tax relief	(380)	(402)
Total UK current tax	2,142	3,057
Foreign current tax on profits for the current period	576	592
Adjustments in foreign tax in respect of prior periods	(45)	(61)
Total current tax	2,673	3,588
Deferred tax		
Origination and reversal of timing differences	(41)	222
Changes in tax rates	587	173
Adjustment in respect of prior periods	(10)	4
Total deferred tax	536	399
Total tax charge	3,209	3,987

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2021 £000	2020 £000
Profit before taxation	13,180	18,710
Expected tax charge based on a corporation tax rate of 19.00% (2020 - 19%)	2,504	3,555
Tax effect of expenses that are not deductible in determining taxable profit	117	80
Tax effect of income not taxable in determining taxable profit	(18)	-
Adjustments in respect of prior years	(151)	(11)
Effect of change in corporation tax rate	577	173
Effect of overseas tax rates	180	190
Tax expense for the year	3,209	3,987

The Chancellor, in his Budget in March 2021, announced an increase to the UK corporation tax rate from 19% to 25% for the financial year beginning 1 April 2023. The UK deferred tax liability as at 31 December 2021 has been calculated based on this rate, with any additional movements in the tax charge as a result of the change in rates shown in the reconciliation above.

NEWLY WEDS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

10 Dividends

	2021 £ per share	2020 £ per share	2021 £000	2020 £000
Ordinary				
Final paid	1.89	-	9,437	-

11 Intangible fixed assets

	Goodwill £000
Cost	
At 1 January 2021 and 31 December 2021	3,757
Amortisation and impairment	
At 1 January 2021	3,245
Amortisation charged for the year	279
At 31 December 2021	3,524
Carrying amount	
At 31 December 2021	233
At 31 December 2020	512

Goodwill represents the excess of the consideration paid over the fair value of net assets acquired in historic business combinations.

The amortisation of goodwill is included within administrative expenses.

There are no contractual commitments to acquire intangible assets (2020 - £nil).

NEWLY WEDS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Tangible fixed assets

	Leasehold property £000	Assets under construction £000	Plant and machinery £000	Total £000
Cost				
At 1 January 2021	4,385	563	21,130	26,078
Additions	-	388	416	804
Transfer	-	(532)	532	-
At 31 December 2021	4,385	419	22,078	26,882
Depreciation and impairment				
At 1 January 2021	959	-	13,938	14,897
Depreciation charged in the year	219	-	955	1,174
Impairment losses	-	-	526	526
At 31 December 2021	1,178	-	15,419	16,597
Carrying amount				
At 31 December 2021	3,207	419	6,659	10,285
At 31 December 2020	3,426	563	7,192	11,181

During the year, an impairment loss on plant and machinery of £526k (2020 - £nil) was recognised within administrative expenses.

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Arthur Pipkins Ltd	a)	Dormant	Ordinary	100.00

Arthur Pipkins Ltd is exempt from audit by virtue of s480 of Companies Act 2006.

a) Owl Lane, Ossett, West Yorkshire, WF5 9AX.

14 Stocks

	2021 £000	2020 £000
Raw materials and consumables	3,336	4,303
Finished goods and goods for resale	6,099	5,927
	9,435	10,230

NEWLY WEDS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

14 Stocks (Continued)

The impairment provision over stock as at the balance sheet date was £181k (2020 - £82k). During the year, an impairment loss on finished goods of £319k (2020 - £156k) was recognised within cost of sales, £81k (2020 - £125k) within distribution costs, and £38k (2020 - £28k) within administrative expenses. No earlier stock write downs have been reversed during the current or preceding period.

15 Debtors

	2021 £000	2020 £000
Amounts falling due within one year:		
Trade debtors	22,329	21,123
Corporation tax recoverable	463	651
Amounts owed by group undertakings	87	1,286
Other debtors	2,670	360
Prepayments and accrued income	1,049	940
	<u>26,598</u>	<u>24,360</u>

16 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	20,690	21,048
Amounts owed to group undertakings	9,820	9,746
Taxation and social security	786	728
Accruals and deferred income	2,129	1,903
	<u>33,425</u>	<u>33,425</u>

17 Provisions for liabilities

	Notes	2021 £000	2020 £000
Deferred tax liabilities	18	<u>2,405</u>	<u>1,869</u>

NEWLY WEDS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2021 £000	Liabilities 2020 £000
Balances:		
Accelerated capital allowances	2,424	1,875
Other short term timing differences	(19)	(6)
	<u>2,405</u>	<u>1,869</u>
Movements in the year:		2021 £000
Liability at 1 January 2021		1,869
Charge to profit or loss		536
Liability at 31 December 2021		<u>2,405</u>

The deferred tax liability set out above relates primarily to fixed assets timing differences and is not expected to reverse within the next 12 months.

19 Retirement benefit schemes

	2021 £000	2020 £000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	2,129	1,970

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Included within the statement of financial position is £68k owed from the scheme (2020 - £3k owed to the scheme).

20 Share capital

	2021 £000	2020 £000
Ordinary share capital		
Issued and fully paid		
5,000,000 Ordinary shares of £1 each	5,000	5,000

The company has one class of Ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

21 Reserves

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

NEWLY WEDS FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

22 Operating lease commitments

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

	2021 £000	2020 £000
Within one year	1,920	1,849
Between two and five years	3,352	4,167
	<u>5,272</u>	<u>6,016</u>

23 Financial commitments, guarantees and contingent liabilities

The company has given a cross guarantee of £40,000 (2020 - £40,000) in favour of HMRC in respect of all monies owed by the company.

24 Related party transactions

During the year the company was charged rent of £373k (2020 - £388k) in respect of property leased from Angell Realty IX, a company owned by C Angell.

During the year the company sold goods to Newly Weds Foods Thailand totalling £83k (2020 - £34k) and a balance of £16k (2020 - £15k) was included in debtors at the year end.

25 Ultimate parent company and ultimate controlling party

The immediate parent company of Newly Weds Foods Limited is Newly Weds Foods Acquisition Limited. The smallest and largest group for which publicly available consolidated financial statements including the company are prepared is the group headed by Newly Weds Foods Acquisition Limited. The consolidated financial statements of Newly Weds Foods Acquisition Limited are available from its registered office, Owl Lane, Osset, West Yorkshire, WF5 9AX.

The ultimate parent company of Newly Weds Foods Limited is Newly Weds Foods Inc, a company incorporated in the United States of America, whose ultimate controlling party is C Angell.