

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021  
FOR  
HOUSE OF WESTPHALIA LIMITED**

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for the Year Ended 31 DECEMBER 2021**

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**HOUSE OF WESTPHALIA LIMITED**

**COMPANY INFORMATION**  
**for the Year Ended 31 DECEMBER 2021**

**DIRECTORS:** Mr A R Mills  
Mr D L Mills

**SECRETARY:** Mrs I A Mills

**REGISTERED OFFICE:** 153 Camford Way  
Luton  
Beds  
LU3 3AN

**REGISTERED NUMBER:** 02514239 (England and Wales)

**SENIOR STATUTORY AUDITOR:** Tara Aldwin ACA

**INDEPENDENT AUDITORS:** FKCA Limited  
Statutory Auditor  
260 - 270 Butterfield  
Great Marlings  
Luton  
Bedfordshire  
LU2 8DL

**STRATEGIC REPORT**  
**for the Year Ended 31 DECEMBER 2021**

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

**REVIEW OF BUSINESS**

The results of the company for the year show a profit on ordinary activities before tax of £3.203m (2020: £2.779m). The shareholders' funds of the company total £8.047m (2020: £5.583m).

	2021 £'000	2020 £'000	2019 £'000
Turnover	32,834	31,565	24,779
Turnover growth	4%	27%	18%
Gross Profit Margin	20%	19%	15%
Profit before tax	3,212	2,835	824

The Directors are pleased to report on another year of organic growth. Slight improvement in forex rates improved margins. The increase in Sales Turnover achieved also has had a positive effect on the bottom line. The company ethos of being 'profitable, sustainable and scalable' remains the focus.

2021 presented the company with the most challenging issues to manage. The Covid 19 Pandemic required operating compliance as stated by the Government (and where practicable). On reflection the company handled it well, we did experience some staff absence and three employees worked from home. Staff absence increased in the last quarter due to the 'pandemic' situation. Overall we were able to continue to provide an essential service with very high service levels. Post Brexit has resulted in a massive increase in administration that is now required to import goods from EU countries. The company now has to incur considerable costs for Customs Declarations, and make declarations before goods enter the UK.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company's financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the company's operations.

The company's approach to managing the risks applicable to the financial instruments are covered below.

In respect of bank balances the liquidity risk is managed by maintaining a significant balance in the company's bank account.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the robust monitoring of amounts outstanding.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Operational risk is managed by a defined structure for managing costs which is monitored by the Board on a regular basis.

To mitigate the company's exposure to foreign currency risk, non-Pound Sterling (GBP) forward exchange contracts are entered into. These fix the rate of any material payments in a foreign currency and allow future pricing levels. At the end of the financial year the company is exposed to exchange rate movements against any open forward contracts.

**FUTURE DEVELOPMENTS**

In the coming financial year, the directors will continue to run the company in an expanding manner.

**ON BEHALF OF THE BOARD:**

Mr A R Mills - Director

19 May 2022

**REPORT OF THE DIRECTORS  
for the Year Ended 31 DECEMBER 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the wholesale of speciality foods.

**DIVIDENDS**

The following interim dividends were paid during the year;

Ordinary £1	£350,400
Ordinary B £1	£254,200
Ordinary C £1	£58,400
Ordinary D £1	£36,000

The directors do not recommend payment of a final dividend.

The total distribution of dividends for the year ended 31 December 2021 will be £699,000.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

Mr A R Mills  
Mr D L Mills

**DISCLOSURE IN THE STRATEGIC REPORT**

Information relating to principal risks and uncertainties the company is facing as well as the future developments of the company has been disclosed in the Strategic Report. Any matters that are Directors' Report disclosure requirements but considered by the directors to be of strategic importance to the company have been included in the Strategic Report.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE DIRECTORS  
for the Year Ended 31 DECEMBER 2021**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**

Mr A R Mills - Director

19 May 2022

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
HOUSE OF WESTPHALIA LIMITED (REGISTERED NUMBER: 02514239)**

**Opinion**

We have audited the financial statements of House of Westphalia Limited (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, 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 Auditors' 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
HOUSE OF WESTPHALIA LIMITED (REGISTERED NUMBER: 02514239)**

**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 Report of the Directors.

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

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

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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 our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management and those charged with governance around actual and potential litigation and claims;
- enquiry of entity staff and the board of directors to identify any instances of non-compliance with laws and regulations;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business; and
- auditing the risk of management override of controls, including through testing journal entries and other means.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
HOUSE OF WESTPHALIA LIMITED (REGISTERED NUMBER: 02514239)**

**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 a Report of the Auditors 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.

Tara Aldwin ACA (Senior Statutory Auditor)  
for and on behalf of FKCA Limited  
Statutory Auditor  
260 - 270 Butterfield  
Great Marlings  
Luton  
Bedfordshire  
LU2 8DL

25 May 2022

**HOUSE OF WESTPHALIA LIMITED (REGISTERED NUMBER: 02514239)**

**INCOME STATEMENT  
for the Year Ended 31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>TURNOVER</b>	5		32,833,708		31,565,295
Cost of sales			<u>26,212,680</u>		<u>25,486,883</u>
<b>GROSS PROFIT</b>			6,621,028		6,078,412
Distribution costs		1,006,210		930,256	
Administrative expenses		<u>2,406,598</u>		<u>2,313,143</u>	
			3,412,808		3,243,399
			3,208,220		2,835,013
Other operating income			<u>1,507</u>		<u>-</u>
<b>OPERATING PROFIT</b>	7		3,209,727		2,835,013
Interest receivable and similar income			<u>1,910</u>		<u>-</u>
<b>PROFIT BEFORE TAXATION</b>			3,211,637		2,835,013
Tax on profit	8		<u>652,409</u>		<u>538,433</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>			<u><u>2,559,228</u></u>		<u><u>2,296,580</u></u>

The notes form part of these financial statements

**HOUSE OF WESTPHALIA LIMITED (REGISTERED NUMBER: 02514239)**

**OTHER COMPREHENSIVE INCOME  
for the Year Ended 31 DECEMBER 2021**

	Notes	2021 £	2020 £
<b>PROFIT FOR THE YEAR</b>		2,559,228	2,296,580
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>2,559,228</u>	<u>2,296,580</u>

The notes form part of these financial statements

**HOUSE OF WESTPHALIA LIMITED (REGISTERED NUMBER: 02514239)**

**STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>FIXED ASSETS</b>					
Intangible assets	10		-		136,287
Tangible assets	11		1,866,057		787,560
Investments	12		31,396		31,396
			<u>1,897,453</u>		<u>955,243</u>
<b>CURRENT ASSETS</b>					
Stocks	13	799,909		552,686	
Debtors	14	2,696,435		2,727,190	
Cash at bank		<u>6,059,806</u>		<u>4,102,503</u>	
		9,556,150		7,382,379	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	15	<u>2,840,936</u>		<u>2,671,826</u>	
<b>NET CURRENT ASSETS</b>			<u>6,715,214</u>		<u>4,710,553</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			8,612,667		5,665,796
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	16		(1,095,666)		-
<b>PROVISIONS FOR LIABILITIES</b>	20		<u>(73,744)</u>		<u>(82,767)</u>
<b>NET ASSETS</b>			<u><u>7,443,257</u></u>		<u><u>5,583,029</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21		146,533		146,533
Retained earnings	22		<u>7,296,724</u>		<u>5,436,496</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><u>7,443,257</u></u>		<u><u>5,583,029</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 19 May 2022 and were signed on its behalf by:

Mr A R Mills - Director

Mr D L Mills - Director

The notes form part of these financial statements

**HOUSE OF WESTPHALIA LIMITED (REGISTERED NUMBER: 02514239)**

**STATEMENT OF CHANGES IN EQUITY  
for the Year Ended 31 DECEMBER 2021**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2020</b>	146,533	3,930,216	4,076,749
<b>Changes in equity</b>			
Dividends	-	(790,300)	(790,300)
Total comprehensive income	-	2,296,580	2,296,580
<b>Balance at 31 December 2020</b>	<u>146,533</u>	<u>5,436,496</u>	<u>5,583,029</u>
<b>Changes in equity</b>			
Dividends	-	(699,000)	(699,000)
Total comprehensive income	-	2,559,228	2,559,228
<b>Balance at 31 December 2021</b>	<u><u>146,533</u></u>	<u><u>7,296,724</u></u>	<u><u>7,443,257</u></u>

The notes form part of these financial statements

**STATEMENT OF CASH FLOWS**  
**for the Year Ended 31 DECEMBER 2021**

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	3,119,885	3,250,920
Tax paid		<u>(495,991)</u>	<u>(329,999)</u>
Net cash from operating activities		<u>2,623,894</u>	<u>2,920,921</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(1,221,891)	(294,106)
Sale of tangible fixed assets		11,820	49,050
Sale of fixed asset investments		-	38,000
Interest received		<u>1,910</u>	<u>-</u>
Net cash from investing activities		<u>(1,208,161)</u>	<u>(207,056)</u>
<b>Cash flows from financing activities</b>			
New loans in year		1,250,000	-
Amount withdrawn by directors		(9,430)	(245,563)
Equity dividends paid		<u>(699,000)</u>	<u>(790,300)</u>
Net cash from financing activities		<u>541,570</u>	<u>(1,035,863)</u>
<b>Increase in cash and cash equivalents</b>		<u>1,957,303</u>	<u>1,678,002</u>
<b>Cash and cash equivalents at beginning of year</b>	2	4,102,503	2,424,501
<b>Cash and cash equivalents at end of year</b>	2	<u><u>6,059,806</u></u>	<u><u>4,102,503</u></u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS**  
**for the Year Ended 31 DECEMBER 2021**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2021 £	2020 £
Profit before taxation	3,211,637	2,835,013
Depreciation charges	269,426	269,355
(Profit)/loss on disposal of fixed assets	(1,564)	18,936
Finance income	(1,910)	-
	<u>3,477,589</u>	<u>3,123,304</u>
Increase in stocks	(247,223)	(209,050)
Decrease in trade and other debtors	40,180	54,832
(Decrease)/increase in trade and other creditors	(150,661)	281,834
<b>Cash generated from operations</b>	<u><u>3,119,885</u></u>	<u><u>3,250,920</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 December 2021**

	31.12.21 £	1.1.21 £
Cash and cash equivalents	<u>6,059,806</u>	<u>4,102,503</u>

**Year ended 31 December 2020**

	31.12.20 £	1.1.20 £
Cash and cash equivalents	<u>4,102,503</u>	<u>2,424,501</u>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.21 £	Cash flow £	At 31.12.21 £
<b>Net cash</b>			
Cash at bank	<u>4,102,503</u>	<u>1,957,303</u>	<u>6,059,806</u>
	<u>4,102,503</u>	<u>1,957,303</u>	<u>6,059,806</u>
<b>Debt</b>			
Debts falling due within 1 year	-	(154,333)	(154,333)
Debts falling due after 1 year	-	(1,095,666)	(1,095,666)
	<u>-</u>	<u>(1,249,999)</u>	<u>(1,249,999)</u>
<b>Total</b>	<u>4,102,503</u>	<u>707,304</u>	<u>4,809,807</u>

**NOTES TO THE FINANCIAL STATEMENTS  
for the Year Ended 31 DECEMBER 2021**

**1. STATUTORY INFORMATION**

House of Westphalia Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. STATEMENT OF COMPLIANCE**

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

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared under historical cost convention, as modified by the financial liabilities (including derivative instruments) at fair value through the profit and loss.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Goodwill**

Goodwill is initially recognised at cost. After initial recognition, goodwill is measured at cost less any accumulated amortisation and accumulated impairment losses.

Goodwill included in the balance sheet has been fully amortised to date.

**Tangible fixed assets**

Tangible fixed assets held for the company's own use are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- Straight line over 5 years
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 20% on reducing balance
Computer equipment	- 20% on reducing balance
Freehold property	- 2.5% on reducing balance

The directors believe the residual value of the freehold property to be at least the carrying value in these financial statements and therefore any depreciation would be negligible. Any maintenance costs are charged to the profit and loss in the year incurred. The directors review the estimated residual value at the end of each accounting period.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making allowance for slow moving items. Stocks are calculated on a first-in-first-out basis.

**Financial instruments**

Basic financial instruments are recognised at amortised cost.



**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 DECEMBER 2021**

**3. ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

**Derivative financial instruments and hedging activities**

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at their fair value.

Changes in the fair values of derivatives are recorded in the income statement together with any changes in the fair values of the hedged liabilities that are attributable to the hedged risk.

**Leasing commitments**

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

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Fixed asset investments**

Fixed asset investments relate to classic cars, these investments are initially recognised at their transaction value and subsequently at fair value at the end of each reporting period.

The maintenance costs are charged to the profit and loss account in the year incurred.

**4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In order to properly apply the company's accounting policies, as described in the accounting policies above, the directors are required to make judgements and estimates in respect of carrying values of assets and liabilities which may not be apparent from other sources of information. The directors base these critical accounting judgements and estimations on previous historical experience and other factors which the directors judge to be relevant. Judgements and estimates will invariably differ from actual results and hence such judgements and estimates are reviewed by the directors on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 DECEMBER 2021**

**5. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2021	2020
	£	£
Wholesale and distribution	32,581,955	31,327,945
Stock handling	251,753	237,350
	<u>32,833,708</u>	<u>31,565,295</u>

**6. EMPLOYEES AND DIRECTORS**

	2021	2020
	£	£
Wages and salaries	1,153,804	960,367
Social security costs	114,366	95,667
Other pension costs	30,291	22,794
	<u>1,298,461</u>	<u>1,078,828</u>

The average number of employees during the year was as follows:

	2021	2020
Administration	9	8
Operations	21	14
Distribution	8	8
Sales	4	4
	<u>42</u>	<u>34</u>

  

	2021	2020
	£	£
Directors' remuneration	9,000	9,000
Directors' pension contributions to money purchase schemes	<u>4,000</u>	<u>4,471</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2021	2020
Money purchase schemes	<u>1</u>	<u>1</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 DECEMBER 2021**

**7. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2021	2020
	£	£
Other operating leases	26,781	29,533
Depreciation - owned assets	133,138	92,994
(Profit)/loss on disposal of fixed assets	(1,564)	18,936
Goodwill amortisation	136,287	176,361
Auditors' remuneration	6,950	6,950
Auditors' remuneration - non-audit services	20,573	17,240
Foreign exchange	<u>(100,318)</u>	<u>(243,042)</u>

**8. TAXATION****Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	661,432	455,666
Deferred tax	<u>(9,023)</u>	<u>82,767</u>
Tax on profit	<u>652,409</u>	<u>538,433</u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Profit before tax	<u>3,211,637</u>	<u>2,835,013</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	610,211	538,652
Effects of:		
Expenses not deductible for tax purposes	-	35
Depreciation in excess of capital allowances	40,538	7,573
(Loss) / Gain on disposal of assets	1,564	3,598
Derivative (asset)/liability adjustments	9,119	(94,191)
Deferred tax provision adjustment	<u>(9,023)</u>	<u>82,766</u>
Total tax charge	<u>652,409</u>	<u>538,433</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 DECEMBER 2021

## 9. DIVIDENDS

	2021 £	2020 £
Ordinary shares of £1 each		
Interim	350,400	357,300
Ordinary B shares of £1 each		
Interim	254,200	338,000
Ordinary C shares of £1 each		
Interim	58,400	50,000
Ordinary D shares of £1 each		
Interim	36,000	45,000
	<u>699,000</u>	<u>790,300</u>

## 10. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
At 1 January 2021	
and 31 December 2021	<u>440,902</u>
<b>AMORTISATION</b>	
At 1 January 2021	304,615
Amortisation for year	<u>136,287</u>
At 31 December 2021	<u>440,902</u>
<b>NET BOOK VALUE</b>	
At 31 December 2021	-
At 31 December 2020	<u>136,287</u>

## 11. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
<b>COST</b>			
At 1 January 2021	239,262	16,994	638,273
Additions	1,123,500	-	13,401
Disposals	-	-	-
At 31 December 2021	<u>1,362,762</u>	<u>16,994</u>	<u>651,674</u>
<b>DEPRECIATION</b>			
At 1 January 2021	-	16,994	485,049
Charge for year	23,406	-	24,604
Eliminated on disposal	-	-	-
At 31 December 2021	<u>23,406</u>	<u>16,994</u>	<u>509,653</u>
<b>NET BOOK VALUE</b>			
At 31 December 2021	<u>1,339,356</u>	<u>-</u>	<u>142,021</u>
At 31 December 2020	<u>239,262</u>	<u>-</u>	<u>153,224</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 DECEMBER 2021**

**11. TANGIBLE FIXED ASSETS - continued**

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 January 2021	128,358	534,202	180,741	1,737,830
Additions	-	84,990	-	1,221,891
Disposals	-	(31,245)	-	(31,245)
At 31 December 2021	<u>128,358</u>	<u>587,947</u>	<u>180,741</u>	<u>2,928,476</u>
<b>DEPRECIATION</b>				
At 1 January 2021	112,498	164,274	171,455	950,270
Charge for year	2,379	80,892	1,857	133,138
Eliminated on disposal	-	(20,989)	-	(20,989)
At 31 December 2021	<u>114,877</u>	<u>224,177</u>	<u>173,312</u>	<u>1,062,419</u>
<b>NET BOOK VALUE</b>				
At 31 December 2021	<u>13,481</u>	<u>363,770</u>	<u>7,429</u>	<u>1,866,057</u>
At 31 December 2020	<u>15,860</u>	<u>369,928</u>	<u>9,286</u>	<u>787,560</u>

In the next financial year a commitment was made towards a new mobile refrigeration unit expected to cost in the region of £475,000 to £500,000.

**12. FIXED ASSET INVESTMENTS**

	Motor Vehicles £	Total
<b>Fair value</b>		
At 1 January 2021	31,396	31,396
At 31 December 2021	<u>31,396</u>	<u>31,396</u>
<b>Net book value</b>		
At 31 December 2021	<u>31,396</u>	<u>31,396</u>
At 31 December 2020	<u>31,396</u>	<u>31,396</u>

The directors consider the carrying value of this asset to be at least the same as that stated within the accounts. As such any changes in either direction have been considered negligible.

**13. STOCKS**

	2021 £	2020 £
Stocks	3,121	2,474
Goods for resale	<u>796,788</u>	<u>550,212</u>
	<u>799,909</u>	<u>552,686</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 DECEMBER 2021**

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
Trade debtors	2,580,060	2,607,200
Other debtors	100	100
Director's current account	11,623	2,197
VAT	62,651	84,335
Prepayments	42,001	33,358
	<u>2,696,435</u>	<u>2,727,190</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
Bank loans and overdrafts (see note 17)	154,333	-
Trade creditors	1,848,784	1,850,194
Derivative liability	123,435	21,274
Corporation tax	435,392	269,951
Taxation and social security	40,215	30,030
Other creditors	129,652	403,829
Accrued expenses	109,125	96,548
	<u>2,840,936</u>	<u>2,671,826</u>

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2021	2020
	£	£
Bank loans (see note 17)	<u>1,095,666</u>	<u>-</u>

**17. LOANS**

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>154,333</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans	<u>617,333</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more than 5 years	<u>478,333</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 DECEMBER 2021**

**18. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	45,955	45,995
Between one and five years	69,650	115,645
	<u>115,605</u>	<u>161,640</u>

**19. SECURED DEBTS**

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank loans	<u>1,249,999</u>	<u>-</u>

The bank loan is secured by two fixed and floating charges over the company's assets.

**20. PROVISIONS FOR LIABILITIES**

	2021	2020
	£	£
Deferred tax	<u>73,744</u>	<u>82,767</u>
		Deferred tax
		£
Balance at 1 January 2021		82,767
Provided during year		<u>(9,023)</u>
Balance at 31 December 2021		<u>73,744</u>

**21. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020
			£	£
89,105	Ordinary	£1	89,105	89,105
280	Ordinary A	£1	280	280
33,960	Ordinary B	£1	33,960	33,960
10,000	Ordinary C	£1	10,000	10,000
13,188	Ordinary D	£1	<u>13,188</u>	<u>13,188</u>
			<u>146,533</u>	<u>146,533</u>

All shares rank pari passu equally in all regards except that each class of share has a right to receive dividends payable to that class of shares only.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 DECEMBER 2021**

**22. RESERVES**

	Retained earnings £
At 1 January 2021	5,436,496
Profit for the year	2,559,228
Dividends	(699,000)
At 31 December 2021	<u>7,296,724</u>

**23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 31 December 2021 and 31 December 2020:

	2021 £	2020 £
<b>Mr A R Mills</b>		
Balance outstanding at start of year	2,197	-
Amounts advanced	9,007	2,197
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>11,204</u>	<u>2,197</u>
<b>Mr D L Mills</b>		
Balance outstanding at start of year	-	-
Amounts advanced	419	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>419</u>	<u>-</u>

Interest of 4% has been charged on the overdrawn director's loan account during the period.

**24. RELATED PARTY DISCLOSURES**

In February 2021, the company purchased the freehold tenure at 153 Camford Way from the directors for a purchase price of £1,080,000.

**25. ULTIMATE CONTROLLING PARTY**

The controlling party is Mr A R Mills.



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