

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021
FOR
CENTRAL FROZEN FOOD SUPPLIES LIMITED**

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FOR THE YEAR ENDED 31 JANUARY 2021

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CENTRAL FROZEN FOOD SUPPLIES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 JANUARY 2021**

DIRECTORS: W K Noori
K O Noori

SECRETARY: W K Noori

REGISTERED OFFICE: Units 1-5 Unicorn Industrial Estate
Davenport Street
Longport
Stoke-On-Trent
Staffordshire
ST6 4RB

REGISTERED NUMBER: 02820272 (England and Wales)

AUDITORS: DPC Accountants Ltd
Chartered accountants & statutory auditors
Stone House
Stone Road Business Park
Stoke-On-Trent
ST4 6SR

BANKERS: Lloyds TSB
1 Fountain Square
Hanley
Stoke on Trent
ST1 1LE

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

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

Central Frozen Food Supplies Ltd operates in the food service sector, predominantly catering for the Quick Service Restaurant outlets as well as serving many other food service wholesalers within the industry.

BUSINESS PERFORMANCE

The UK food service sector continues to be a very competitive environment where there have been many new market entrants, intensifying the competition.

Central Frozen Food Supplies Ltd was able to increase the number of active customers within its client list and in turn achieve an increase in sales turnover.

As a family run business, Central Frozen Foods relies heavily on relationships with both its customers and suppliers respectively. The market place has proved very challenging with different micro and macro factors impacting performance.

We have continued our expansion in terms of obtaining customers and increasing our market share. We have been very conscious throughout the period to absorb as many increases as possible in order to remain competitive and continue our market share expansion.

PRINCIPAL RISKS AND UNCERTAINTIES

The commercial risks of the company are that it may hold unprofitable contracts or face bad debts. Trade debtors are managed by credit and cash flow risk policies concerning the credit offered to customers as well as regular monitoring of amounts outstanding. Central Frozen Foods undertook debtor insurance in order to safeguard itself from this potential risk.

The business ensures a fast stock turnover figure whilst maintaining debtor days to the set terms, thus emphasising a solid cash flow. Trade creditors liquidity risk is managed by ensuring that sufficient funds are available to meet amounts due.

A further risk for Central Frozen Foods is the current economic climate with so much uncertainty in the market. The fluctuation of the Pound against the Euro poses a big question over what was a very stable supply chain, with prices and availability now becoming unstable.

FUTURE PROSPECTS

As a business we are looking to continue our growth. We have big plans to improve our infrastructure and facilities in order to facilitate growth over the next five years.

We are planning new buildings and are upgrading plant and equipment in order to meet increased customer demands.

We have also implemented better employee guidelines and training in order to improve our customer service. We believe that service is pivotal to success and strongly focus on this factor.

We will be looking over the financial year to increase our gross and net profit margins. We will do this through better negotiating and sharing price increases as the trends are proving unsustainable in absorbing additional costs.

The impact of COVID-19 has been very challenging on many fronts. We have faced huge HR difficulties and also had a turbulent trading period. In terms of sales we have been able to sustain and increase somewhat on our previous year sales which has been hugely encouraging for us as a business.

What we have learnt during COVID is that we need to be able to adapt quickly and stay with and ahead of market trends.

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

KEY PERFORMANCE INDICATORS

During the financial period ending 31st January 2021, we were satisfied with the businesses performance achieving sales of £27,120,704 (2020: £23,626,473), which in turn reflects a growth of £3,494,231 (2020: £2,933,395) equating to a percentage growth of 14.8% (2020: 14.2%).

The business uses the increase in sales and gross profit margins as the main performance indicator. The business has recorded a gross profit margin of 11.9% (2020: 11.2%).

The increase in gross profit margin was similar to the previous year that was affected mainly due to the growing pressure of brexit proving very difficult to manage, driving the costs of goods up significantly meaning that some increases were being absorbed by us as a company.

EMPLOYEES

The company's employment policy is to provide equal opportunity to all current and prospective employees without any discrimination. We provide a work environment in which all individuals are treated fairly with respect.

ON BEHALF OF THE BOARD:

K O Noori - Director

23 November 2021

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JANUARY 2021**

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

DIVIDENDS

Particulars of recommended dividends are detailed in the notes to the financial statements.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 February 2020 to the date of this report.

W K Noori
K O Noori

DISCLOSURE IN THE STRATEGIC REPORT

The company has, in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The strategic report can be found on pages 2-3 of the financial statements.

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.

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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JANUARY 2021**

AUDITORS

The auditors is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

ON BEHALF OF THE BOARD:

K O Noori - Director

23 November 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CENTRAL FROZEN FOOD SUPPLIES LIMITED

Opinion

We have audited the financial statements of Central Frozen Food Supplies Limited (the 'company') for the year ended 31 January 2021 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, 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 January 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 CENTRAL FROZEN FOOD SUPPLIES LIMITED

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 four, 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CENTRAL FROZEN FOOD SUPPLIES LIMITED

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.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

Based on this approach, we were able to assess the risks and ensure the risks were considered throughout all areas of audit testing across the company. The audit team was professionally sceptical throughout the audit and remained alert for inaccurate or misleading information.

Audit response to risks identified

As a result of performing the above, we identified cash balances as key audit matters related to the potential risk of fraud or irregularities.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
 - enquiring of management concerning actual and potential litigation and claims;
 - performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
 - obtained an understanding of provisions and held discussions with management to understand the basis of recognition or non-recognition of tax provisions; and
 - in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- review cash balances held at the year-end and agree them to procedures carried out during the stocktake

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CENTRAL FROZEN FOOD SUPPLIES LIMITED

Audit testing was completed on a targeted sample basis based on our assessment of risk and materiality. Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Report of the Auditors to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Report of the Auditors. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Michael Reynolds (Senior Statutory Auditor)
for and on behalf of DPC Accountants Ltd
Chartered accountants & statutory auditors
Stone House
Stone Road Business Park
Stoke-On-Trent
ST4 6SR

23 November 2021

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

	Notes	31.1.21 £	31.1.20 £
TURNOVER	4	27,120,704	23,626,473
Cost of sales		(23,877,407)	(20,977,386)
GROSS PROFIT		3,243,297	2,649,087
Distribution costs		(918,485)	(797,528)
Administrative expenses		(1,379,105)	(1,315,675)
		945,707	535,884
Other operating income	5	164,014	-
OPERATING PROFIT	7	1,109,721	535,884
Interest payable and similar expenses	9	(130)	-
PROFIT BEFORE TAXATION		1,109,591	535,884
Tax on profit	10	(154,690)	(80,668)
PROFIT FOR THE FINANCIAL YEAR		954,901	455,216
Retained earnings at beginning of year		2,062,288	1,862,683
Dividends	11	(637,000)	(255,611)
RETAINED EARNINGS AT END OF YEAR		2,380,189	2,062,288

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 JANUARY 2021

	Notes	31.1.21 £	31.1.20 £
FIXED ASSETS			
Tangible assets	12	1,259,606	1,369,537
CURRENT ASSETS			
Stocks	13	1,696,540	1,624,774
Debtors	14	1,825,282	1,863,907
Investments	15	300,000	-
Cash at bank and in hand		2,109,693	625,394
		<u>5,931,515</u>	<u>4,114,075</u>
CREDITORS			
Amounts falling due within one year	16	<u>(3,299,226)</u>	<u>(2,712,387)</u>
NET CURRENT ASSETS		<u>2,632,289</u>	<u>1,401,688</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,891,895	2,771,225
CREDITORS			
Amounts falling due after more than one year	17	(1,451,153)	(628,878)
PROVISIONS FOR LIABILITIES	21	<u>(60,053)</u>	<u>(79,559)</u>
NET ASSETS		<u>2,380,689</u>	<u>2,062,788</u>
CAPITAL AND RESERVES			
Called up share capital	22	500	500
Retained earnings	23	2,380,189	2,062,288
SHAREHOLDERS' FUNDS		<u>2,380,689</u>	<u>2,062,788</u>

The financial statements were approved by the Board of Directors and authorised for issue on 23 November 2021 and were signed on its behalf by:

K O Noori - Director

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2021

	Notes	31.1.21 £	31.1.20 £
Cash flows from operating activities			
Cash generated from operations	1	1,484,481	793,408
Interest paid		(130)	-
Tax paid		(19,875)	(336,426)
Net cash from operating activities		<u>1,464,476</u>	<u>456,982</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(71,617)	(32,746)
Sale of tangible fixed assets		6,880	-
Purchase of investment company		(300,000)	-
Net cash from investing activities		<u>(364,737)</u>	<u>(32,746)</u>
Cash flows from financing activities			
New loans in year		1,000,000	-
Loan repayments in year		(113,370)	-
Capital repayments in year		-	(71,920)
Amount introduced by directors		237,000	255,611
Amount withdrawn by directors		(102,070)	(366,932)
Equity dividends paid		(637,000)	(255,611)
Net cash from financing activities		<u>384,560</u>	<u>(438,852)</u>
Increase/(decrease) in cash and cash equivalents		<u>1,484,299</u>	<u>(14,616)</u>
Cash and cash equivalents at beginning of year	2	625,394	640,010
Cash and cash equivalents at end of year	2	<u>2,109,693</u>	<u>625,394</u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2021**
1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.1.21	31.1.20
	£	£
Profit before taxation	1,109,591	535,884
Depreciation charges	120,026	138,263
Loss on disposal of fixed assets	54,643	-
Finance costs	130	-
	<u>1,284,390</u>	<u>674,147</u>
(Increase)/decrease in stocks	(71,766)	162,389
Increase in trade and other debtors	(96,305)	(252,610)
Increase in trade and other creditors	<u>368,162</u>	<u>209,482</u>
Cash generated from operations	<u>1,484,481</u>	<u>793,408</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 January 2021

	31.1.21	1.2.20
	£	£
Cash and cash equivalents	<u>2,109,693</u>	<u>625,394</u>

Year ended 31 January 2020

	31.1.20	1.2.19
	£	£
Cash and cash equivalents	<u>625,394</u>	<u>640,010</u>

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2021

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.2.20 £	Cash flow £	At 31.1.21 £
Net cash			
Cash at bank and in hand	625,394	1,484,299	2,109,693
	<u>625,394</u>	<u>1,484,299</u>	<u>2,109,693</u>
Liquid resources			
Current asset investments	-	300,000	300,000
	<u>-</u>	<u>300,000</u>	<u>300,000</u>
Debt			
Debts falling due within 1 year	(48,098)	(64,356)	(112,454)
Debts falling due after 1 year	(497,697)	(822,275)	(1,319,972)
	<u>(545,795)</u>	<u>(886,631)</u>	<u>(1,432,426)</u>
Total	<u>79,599</u>	<u>897,668</u>	<u>977,267</u>

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

1. STATUTORY INFORMATION

Central Frozen Food Supplies 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 the historical cost convention.

Significant judgements and estimates

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

(i) Estimated useful lives and residual values of fixed assets

As described in the notes to the financial statements, amortisation of intangible fixed assets and depreciation of tangible fixed assets have been based on estimated useful lives and residual values deemed appropriate by the directors. Estimated useful lives and residual values are reviewed annually and revised as appropriate. Revisions take into account estimated useful lives used by other companies operating in the sector and actual asset lives and residual values, as evidenced by disposals during the current and prior accounting periods.

(ii) Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense in the statement of profit or loss.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amounts expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2021

3. ACCOUNTING POLICIES - continued

Revenue recognition

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

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

Tangible fixed assets

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

Long leasehold	- straight line over the life of the lease
Plant and machinery	- 20% reducing balance
Fixtures and fittings	- 20% reducing balance
Motor vehicles	- 25% reducing balance

No depreciation has been charged on freehold property as the directors are of the opinion that the residual value of the freehold property is not materially different to the fair value. An annual impairment review is carried out on all properties and the directors are of the opinion that the market value of the licensed estate in its entirety after provision for impairments is in excess of the net book value at 31st January 2021.

Tangible fixed assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Government grants

Government grants are recognised using the accrual model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2021

3. ACCOUNTING POLICIES - continued

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

Hire purchase and 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

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 20214. **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:

	31.1.21 £	31.1.20 £
Sale of goods	27,120,704	23,626,473
	<u>27,120,704</u>	<u>23,626,473</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. **OTHER OPERATING INCOME**

	31.1.21 £	31.1.20 £
Furlough income	<u>164,014</u>	<u>-</u>

6. **EMPLOYEES AND DIRECTORS**

	31.1.21 £	31.1.20 £
Wages and salaries	1,745,836	1,503,531
Social security costs	4,262	3,610
Other pension costs	9,445	8,511
	<u>1,759,543</u>	<u>1,515,652</u>

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

	31.1.21	31.1.20
Production staff	80	76
Directors	<u>2</u>	<u>2</u>
	<u>82</u>	<u>78</u>

	31.1.21 £	31.1.20 £
Directors' remuneration	<u>48,538</u>	<u>45,066</u>

7. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.1.21 £	31.1.20 £
Hire of plant and machinery	10,887	8,335
Depreciation - owned assets	120,025	138,262
Loss on disposal of fixed assets	<u>54,643</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2021

8. AUDITORS' REMUNERATION

	31.1.21 £	31.1.20 £
Fees payable to the company's auditors for the audit of the company's financial statements	<u>8,000</u>	<u>8,000</u>

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.1.21 £	31.1.20 £
Interest payable	<u>130</u>	<u>-</u>

10. TAXATION

Analysis of the tax charge

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

	31.1.21 £	31.1.20 £
Current tax:		
UK corporation tax	250,387	122,666
Over/under provision in prior year	<u>(76,191)</u>	<u>(41,998)</u>
Total current tax	<u>174,196</u>	<u>80,668</u>
Deferred tax	<u>(19,506)</u>	<u>-</u>
Tax on profit	<u>154,690</u>	<u>80,668</u>

Reconciliation of total tax charge included in profit and loss

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

	31.1.21 £	31.1.20 £
Profit before tax	<u>1,109,591</u>	<u>535,884</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	210,822	101,818
Effects of:		
Expenses not deductible for tax purposes	24,429	866
Depreciation in excess of capital allowances	15,135	19,982
Adjustments to tax charge in respect of previous periods	(19,505)	-
Under / (Over) provision in prior year	<u>(76,191)</u>	<u>(41,998)</u>
Total tax charge	<u>154,690</u>	<u>80,668</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2021

11. DIVIDENDS

	31.1.21 £	31.1.20 £
Ordinary shares shares of 1 each Final	135,000	144,465
Ordinary Shares shares of 1 each Final	102,000	111,146
Ordinary Shares shares of 1 each Final	<u>400,000</u>	<u>-</u>
	<u>637,000</u>	<u>255,611</u>

12. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Plant and machinery £
COST			
At 1 February 2020	734,607	794,837	721,707
Additions	17,129	17,879	30,606
Disposals	-	-	(396,890)
At 31 January 2021	<u>751,736</u>	<u>812,716</u>	<u>355,423</u>
DEPRECIATION			
At 1 February 2020	-	426,052	512,811
Charge for year	-	75,877	35,816
Eliminated on disposal	-	-	(354,346)
At 31 January 2021	<u>-</u>	<u>501,929</u>	<u>194,281</u>
NET BOOK VALUE			
At 31 January 2021	<u>751,736</u>	<u>310,787</u>	<u>161,142</u>
At 31 January 2020	<u>734,607</u>	<u>368,785</u>	<u>208,896</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2021

12. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 February 2020	155,530	192,231	2,598,912
Additions	6,003	-	71,617
Disposals	(84,066)	(192,231)	(673,187)
At 31 January 2021	<u>77,467</u>	<u>-</u>	<u>1,997,342</u>
DEPRECIATION			
At 1 February 2020	106,856	183,656	1,229,375
Charge for year	8,332	-	120,025
Eliminated on disposal	(73,662)	(183,656)	(611,664)
At 31 January 2021	<u>41,526</u>	<u>-</u>	<u>737,736</u>
NET BOOK VALUE			
At 31 January 2021	<u>35,941</u>	<u>-</u>	<u>1,259,606</u>
At 31 January 2020	<u>48,674</u>	<u>8,575</u>	<u>1,369,537</u>

13. STOCKS

	31.1.21 £	31.1.20 £
Stocks	<u>1,696,540</u>	<u>1,624,774</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.1.21 £	31.1.20 £
Trade debtors	1,131,750	953,769
Other debtors	147,712	183,185
Directors' current accounts	467,074	602,004
VAT	54,097	37,526
Prepayments and accrued income	24,649	87,423
	<u>1,825,282</u>	<u>1,863,907</u>

15. CURRENT ASSET INVESTMENTS

	31.1.21 £	31.1.20 £
Unlisted investments	<u>300,000</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2021

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.1.21 £	31.1.20 £
Bank loans and overdrafts (see note 18)	112,454	48,098
Trade creditors	2,464,609	2,416,943
Amounts owed to group undertakings	400,000	-
Tax	234,990	80,669
Social security and other taxes	39,384	61,602
Other creditors	3,973	11,937
Accruals and deferred income	43,816	93,138
	<u>3,299,226</u>	<u>2,712,387</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.1.21 £	31.1.20 £
Bank loans (see note 18)	1,319,972	497,697
Deferred government grants	131,181	131,181
	<u>1,451,153</u>	<u>628,878</u>

The company has the following loans:

A variable base rate loan of £250,000 at a rate of 2.9% repayable by monthly instalments of £1,750 to 28 November 2033.

A fixed rate loan of £250,000 at a rate of 4.8% repayable by monthly instalments of £1,750 to 28 November 2033.

A CBILs loan of £500,000 at a rate of 2.32% repayable by monthly installments of £7,576 to 11 November 2026.

A CBILs loan of £500,000 at a rate of 2.32% repayable by monthly installments of £8,940 to 11 December 2026

18. LOANS

An analysis of the maturity of loans is given below:

	31.1.21 £	31.1.20 £
Amounts falling due within one year or on demand:		
Bank loans	<u>112,454</u>	<u>48,098</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>203,005</u>	<u>50,207</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>719,721</u>	<u>134,639</u>

Amounts falling due in more than five years:

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2021

18. LOANS - continued

	31.1.21 £	31.1.20 £
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans payable over five years by instalments	<u>397,246</u>	<u>312,851</u>
	<u>397,246</u>	<u>312,851</u>

19. LEASING AGREEMENTS

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

	31.1.21 £	31.1.20 £
Within one year	62,348	80,760
Between one and five years	<u>47,385</u>	<u>109,733</u>
	<u>109,733</u>	<u>190,493</u>

20. SECURED DEBTS

The following secured debts are included within creditors:

	31.1.21 £	31.1.20 £
Bank loans	<u>1,432,426</u>	<u>545,795</u>

The following security has been given on the bank loans in favour of Lloyds Bank plc:

- A fixed and floating charge over the commercial freehold property lying to the West-North of Wayne Walker Quality Meats site, Davenport Street, Stoke-on-Trent, ST6 4RB dated 28/11/2018
- A fixed and floating charge over the commercial freehold property known as Land lying to the South-West of Davenport Street, Stoke-on-Trent, ST6 4RB dated 28/11/2018
- A fixed and floating charge over all property and assets dated 28/03/1994

21. PROVISIONS FOR LIABILITIES

	31.1.21 £	31.1.20 £
Deferred tax	<u>60,053</u>	<u>79,559</u>
		Deferred tax
		£
Balance at 1 February 2020		79,559
Credit to Statement of Comprehensive Income during year		<u>(19,506)</u>
Balance at 31 January 2021		<u>60,053</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2021

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	31.1.21	31.1.20
Number:	Class:		£	£
350	Ordinary shares	1	-	350
150	Ordinary Shares	1	-	150
500	Ordinary Shares	1	500	-
			<u>500</u>	<u>500</u>

23. RESERVES

	Retained earnings £
At 1 February 2020	2,062,288
Profit for the year	954,901
Dividends	(637,000)
At 31 January 2021	<u>2,380,189</u>

24. ULTIMATE PARENT COMPANY

The ultimate parent undertaking is Noori Holdings Limited, a company registered in England and Wales. Its principle place of business and registered office is Units 1-5, Unicorn Industrial Estate, Davenport Street, Longport, Stoke-on-Trent, Staffordshire, ST6 4RB.

25. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

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

	31.1.21 £	31.1.20 £
W K Noori		
Balance outstanding at start of year	392,988	339,834
Amounts advanced	68,212	197,619
Amounts repaid	(135,000)	(144,465)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>326,200</u>	<u>392,988</u>
K O Noori		
Balance outstanding at start of year	209,016	150,849
Amounts advanced	79,560	169,313
Amounts repaid	(147,702)	(111,146)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>140,874</u>	<u>209,016</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2021

25. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued

Amounts advanced to the directors are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

26. POST BALANCE SHEET EVENTS

There were no material post balance sheet events up to the date of approval of the financial statements by the Board.

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