

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 28 February 2021
for
Newberry International Produce Ltd

Contents of the Financial Statements
for the year ended 28 February 2021

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Profit and Loss Account	8
Other Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Cash Flow Statement	12
Notes to the Cash Flow Statement	13
Notes to the Financial Statements	15

Directors:	Mrs G L Taylor S Taylor L K Rowley
Registered office:	Unit 6 & 7 Newent Business Park Newent Gloucestershire GL18 1DZ
Registered number:	03262617 (England and Wales)
Senior statutory auditor:	Russell John Spencer
Auditors:	Acre Accountancy Limited Unit 2 Foley Works Foley Industrial Estate Hereford Herefordshire HR1 2SF

Strategic Report
for the year ended 28 February 2021

The directors present their strategic report for the year ended 28 February 2021.

Review of business

The directors are pleased to report sales growth of 12% to £25.6m in a year that was significantly impacted by the global Covid-19 pandemic. Gross profit improved by 8.4% to £3.17m despite pressure on margins from the continued weakness of Sterling and increased freight and transport charges.

Operating expenses came under pressure from the additional costs associated with operating in a pandemic combined with uncertainty surrounding the outcome of Brexit negotiations, resulting in a small drop in operating profits to £1.23m.

The balance sheet has continued to be strengthened from the retained profits with net assets increasing by £503,000 to £2.73m.

Principal risks and uncertainties

The principal risks faced by the business continue to be the supply of quality produce, exposure to foreign exchange movements and capacity risk. These are being addressed as follows:

- Produce risks are managed through carrying increased stock in key product categories and entering into medium term agreements with the company's global supplier network;
- Foreign currency exposure is managed through entry into forward hedging products; and
- Medium term capacity risk is addressed through the acquisition of a new operating site in the UK which is set to be developed in 2022.

Key performance indicators

The company monitors a range of KPIs covering financial performance, working capital management, technical, health and safety, customer complaints and environmental matters.

In January 2021 Newberry was re-awarded the highest achievable AA+ quality rating from the British Retail Consortium reflecting the focus on quality assurance and food safety throughout the company.

Future developments

The directors consider the company well placed for further growth in 2021/22. This is largely underpinned by contracted revenues with key customers and a return to normal activity levels in markets impacted in 2020 by the pandemic.

Covid-19

As with the majority of operators in the food processing industry, Newberry has been impacted by the COVID-19 pandemic since March 2020 both in the UK and overseas markets. Since March 2021 the markets the Company operates in have gradually returned to more normal trading conditions although there remain very significant challenges and price inflation across certain raw materials, shipping, transport and storage.

On behalf of the board:

Mrs G L Taylor - Director

25 November 2021

The directors present their report with the financial statements of the company for the year ended 28 February 2021.

Principal activity

The principal activity of the company in the year under review was that of trading of fruit and vegetable products.

Dividends

Interim dividends of £1,104.869 per share were declared by the directors.

The total distribution of dividends for the year ended 28 February 2021 was £295,000.

Directors

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

Mrs G L Taylor
S Taylor
L K Rowley

Risks and uncertainties

The Directors have assessed the impact of COVID-19 and consider this to be a short-term risk to the business.

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). 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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Acre Accountancy Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:

Mrs G L Taylor - Director

25 November 2021

Opinion

We have audited the financial statements of Newberry International Produce Ltd (the 'company') for the year ended 28 February 2021 which comprise the Profit and Loss Account, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 28 February 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We enquired with management about the legal framework that the company operates in. We also enquired about the risk of fraud and whether they were aware of any instances of fraud.

We communicated the outcome of this risk assessment with the audit team and planned our audit work accordingly. Our work in these areas is limited to analytical procedures and inspection of relevant documentation. Where a breach of operational regulations is not disclosed to us, or it is not evident from documentation that we receive during the audit, an audit will not detect that breach.

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. This description forms part of our Report of the Auditors.

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.

Russell John Spencer (Senior Statutory Auditor)
for and on behalf of Acre Accountancy Limited
Unit 2 Foley Works
Foley Industrial Estate
Hereford
Herefordshire
HR1 2SF

25 November 2021

Profit and Loss Account
for the year ended 28 February 2021

	Notes	2021 £	2020 £
TURNOVER		25,572,506	22,801,577
Cost of sales		<u>(22,402,096)</u>	<u>(19,876,248)</u>
GROSS PROFIT		3,170,410	2,925,329
Administrative expenses		<u>(1,955,192)</u>	<u>(1,643,054)</u>
		1,215,218	1,282,275
Other operating income		<u>12,878</u>	<u>-</u>
OPERATING PROFIT	5	1,228,096	1,282,275
Interest receivable and similar income		<u>20</u>	<u>59</u>
		1,228,116	1,282,334
Interest payable and similar expenses	6	<u>(234,816)</u>	<u>(243,983)</u>
PROFIT BEFORE TAXATION		993,300	1,038,351
Tax on profit	7	<u>(195,777)</u>	<u>(171,192)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>797,523</u>	<u>867,159</u>

The notes form part of these financial statements

Other Comprehensive Income
for the year ended 28 February 2021

	Notes	2021 £	2020 £
PROFIT FOR THE YEAR		797,523	867,159
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		-	-
FOR THE YEAR		<u>797,523</u>	<u>867,159</u>

Balance Sheet
28 February 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	9	3,909,756	3,946,184
Investments	10	<u>43,478</u>	<u>-</u>
		<u>3,953,234</u>	<u>3,946,184</u>
CURRENT ASSETS			
Stocks	11	5,837,986	6,109,790
Debtors	12	2,910,499	3,107,252
Cash at bank		<u>531,390</u>	<u>540,096</u>
		9,279,875	9,757,138
CREDITORS			
Amounts falling due within one year	13	<u>(7,102,849)</u>	<u>(9,204,065)</u>
NET CURRENT ASSETS		<u>2,177,026</u>	<u>553,073</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,130,260	4,499,257
CREDITORS			
Amounts falling due after more than one year	14	(3,218,985)	(2,112,551)
PROVISIONS FOR LIABILITIES	18	<u>(183,538)</u>	<u>(161,492)</u>
NET ASSETS		<u>2,727,737</u>	<u>2,225,214</u>
CAPITAL AND RESERVES			
Called up share capital	19	267	267
Share premium	20	289,765	289,765
Capital redemption reserve	20	1,084	1,084
Retained earnings	20	<u>2,436,621</u>	<u>1,934,098</u>
SHAREHOLDERS' FUNDS		<u>2,727,737</u>	<u>2,225,214</u>

The financial statements were approved by the Board of Directors and authorised for issue on 25 November 2021 and were signed on its behalf by:

Mrs G L Taylor - Director

Statement of Changes in Equity
for the year ended 28 February 2021

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 March 2019	267	1,495,410	289,765	1,084	1,786,526
Changes in equity					
Dividends	-	(428,471)	-	-	(428,471)
Total comprehensive income	-	867,159	-	-	867,159
Balance at 29 February 2020	267	1,934,098	289,765	1,084	2,225,214
Changes in equity					
Dividends	-	(295,000)	-	-	(295,000)
Total comprehensive income	-	797,523	-	-	797,523
Balance at 28 February 2021	267	2,436,621	289,765	1,084	2,727,737

The notes form part of these financial statements

Cash Flow Statement
for the year ended 28 February 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	1,990,988	264,691
Interest paid		(216,786)	(216,587)
Interest element of hire purchase payments paid		(18,030)	(27,396)
Amount loaned to joint venture		(46,500)	-
Tax paid		(309,523)	(11,142)
Taxation refund		33,689	-
Government grants		12,878	-
Net cash from operating activities		<u>1,446,716</u>	<u>9,566</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(151,674)	(2,897,266)
Purchase of fixed asset investments		(43,478)	-
Interest received		20	59
Net cash from investing activities		<u>(195,132)</u>	<u>(2,897,207)</u>
Cash flows from financing activities			
New loans in year		1,350,000	1,875,000
Loan repayments in year		(51,248)	(60,053)
Capital repayments in year		(113,288)	(160,284)
Additional finance lease capital		30,668	-
Equity dividends paid		(295,000)	(428,471)
Net cash from financing activities		<u>921,132</u>	<u>1,226,192</u>
Increase/(decrease) in cash and cash equivalents		<u>2,172,716</u>	<u>(1,661,449)</u>
Cash and cash equivalents at beginning of year	2	(4,587,249)	(2,925,800)
Cash and cash equivalents at end of year	2	<u>(2,414,533)</u>	<u>(4,587,249)</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the year ended 28 February 2021

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

	2021	2020
	£	£
Profit before taxation	993,300	1,038,351
Depreciation charges	188,103	177,139
Government grants	(12,878)	-
Finance costs	234,816	243,983
Finance income	(20)	(59)
	<u>1,403,321</u>	<u>1,459,414</u>
Decrease/(increase) in stocks	271,804	(1,256,574)
Decrease/(increase) in trade and other debtors	243,253	(476,550)
Increase in trade and other creditors	<u>72,610</u>	<u>538,401</u>
Cash generated from operations	<u><u>1,990,988</u></u>	<u><u>264,691</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 28 February 2021

	28.2.21	1.3.20
	£	£
Cash and cash equivalents	531,390	540,096
Bank overdrafts	<u>(2,945,923)</u>	<u>(5,127,345)</u>
	<u><u>(2,414,533)</u></u>	<u><u>(4,587,249)</u></u>

Year ended 29 February 2020

	29.2.20	1.3.19
	£	£
Cash and cash equivalents	540,096	363,619
Bank overdrafts	<u>(5,127,345)</u>	<u>(3,289,419)</u>
	<u><u>(4,587,249)</u></u>	<u><u>(2,925,800)</u></u>

Notes to the Cash Flow Statement
for the year ended 28 February 2021

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.3.20 £	Cash flow £	At 28.2.21 £
Net cash			
Cash at bank	540,096	(8,706)	531,390
Bank overdrafts	<u>(5,127,345)</u>	<u>2,181,422</u>	<u>(2,945,923)</u>
	<u>(4,587,249)</u>	<u>2,172,716</u>	<u>(2,414,533)</u>
Debt			
Finance leases	(585,233)	82,618	(502,615)
Debts falling due within 1 year	(102,361)	(101,004)	(203,365)
Debts falling due after 1 year	<u>(1,712,586)</u>	<u>(1,197,748)</u>	<u>(2,910,334)</u>
	<u>(2,400,180)</u>	<u>(1,216,134)</u>	<u>(3,616,314)</u>
Total	<u>(6,987,429)</u>	<u>956,582</u>	<u>(6,030,847)</u>

1. **STATUTORY INFORMATION**

Newberry International Produce Ltd 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.

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.

The directors have considered the trading conditions faced by the company during the COVID-19 global pandemic. The company has been able to continue to operate profitably throughout and financial projections indicate that this will continue into the foreseeable future. As a result, the going concern basis of preparation has been used in the preparation of these accounts.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sales of goods and services in the ordinary course of the business. Turnover is shown net of Value Added Tax, for goods and services provided to customers. In the case of long term contracts, turnover is recognised appropriate to the stage of completion where the outcome of the contract can be ascertained with reasonable certainty.

Tangible fixed assets

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

Freehold property	- 2% on cost
Improvements to property	- 20% on cost
Plant and machinery	- 10% on cost
Motor vehicles	- 20% on cost
Office equipment	- 15% on cost

Government grants

Government grants are classified as either capital or revenue.

Capital grants are credited to a deferral account and released to the profit and loss account at the same rate as the related asset is depreciated.

Grants of a revenue nature are recognised using the accrual model so that the grant income, that represents compensation for past expenditure or losses, is recognised in the same period as it becomes receivable.

The COVID-19 pandemic prompted a number of revenue grants that are intended to subsidise expenditure and losses incurred. These have been recognised as other operating income.

Stocks

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

3. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, 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 balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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

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

Forward foreign exchange gains and losses are assessed and provided for at the balance sheet date.

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

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.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement. They are classified as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

4. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	1,707,661	1,110,258
Social security costs	128,367	88,100
Other pension costs	28,763	22,943
	<u>1,864,791</u>	<u>1,221,301</u>

4. EMPLOYEES AND DIRECTORS - continued

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

	2021	2020
Directors	3	3
Admin	22	20
Production	<u>45</u>	<u>28</u>
	<u>70</u>	<u>51</u>
	2021	2020
	£	£
Directors' remuneration	101,896	97,229
Directors' pension contributions to money purchase schemes	<u>7,458</u>	<u>7,418</u>

5. OPERATING PROFIT

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

	2021	2020
	£	£
Other operating leases	27,334	29,099
Depreciation - owned assets	188,102	177,139
Auditors' remuneration	10,250	10,000
Foreign exchange differences	<u>168,788</u>	<u>(10,120)</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank interest	155,323	169,818
Mortgage	61,463	46,769
Hire purchase	<u>18,030</u>	<u>27,396</u>
	<u>234,816</u>	<u>243,983</u>

7. 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	207,420	201,740
Over/under provision	<u>(33,689)</u>	<u>(31,525)</u>
Total current tax	173,731	170,215
Deferred tax	<u>22,046</u>	<u>977</u>
Tax on profit	<u>195,777</u>	<u>171,192</u>

7. TAXATION - continued**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>993,300</u>	<u>1,038,351</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	188,727	197,287
Effects of:		
Expenses not deductible for tax purposes	2,500	5,429
Adjustments to tax charge in respect of previous periods	<u>4,550</u>	<u>(31,524)</u>
Total tax charge	<u>195,777</u>	<u>171,192</u>

8. DIVIDENDS

	2021 £	2020 £
Ordinary shares of £1 each		
Interim	<u>295,000</u>	<u>428,471</u>

The above dividends were paid to the directors of the company.

9. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
Cost			
At 1 March 2020	2,786,613	81,710	1,506,486
Additions	74,720	-	66,971
At 28 February 2021	<u>2,861,333</u>	<u>81,710</u>	<u>1,573,457</u>
Depreciation			
At 1 March 2020	-	33,522	453,580
Charge for year	-	16,600	150,586
At 28 February 2021	-	<u>50,122</u>	<u>604,166</u>
Net book value			
At 28 February 2021	<u>2,861,333</u>	<u>31,588</u>	<u>969,291</u>
At 29 February 2020	<u>2,786,613</u>	<u>48,188</u>	<u>1,052,906</u>

9. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Office equipment £	Totals £
Cost			
At 1 March 2020	54,640	76,839	4,506,288
Additions	-	9,983	151,674
At 28 February 2021	<u>54,640</u>	<u>86,822</u>	<u>4,657,962</u>
Depreciation			
At 1 March 2020	29,851	43,151	560,104
Charge for year	10,928	9,988	188,102
At 28 February 2021	<u>40,779</u>	<u>53,139</u>	<u>748,206</u>
Net book value			
At 28 February 2021	<u>13,861</u>	<u>33,683</u>	<u>3,909,756</u>
At 29 February 2020	<u>24,789</u>	<u>33,688</u>	<u>3,946,184</u>

The netbook value of assets held under hire purchase or finance leases and included above was £710,918 (2020: £803,229). The depreciation charged in respect of the assets held under hire purchase or finance lease agreements was £123,565 (2020: £122,977).

Freehold property has not depreciated in the year as it had not been brought into use at the balance sheet date.

10. FIXED ASSET INVESTMENTS

	Interest in joint venture £
Cost	
Additions	43,478
At 28 February 2021	<u>43,478</u>
Net book value	
At 28 February 2021	<u>43,478</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Joint venture**Love Life Smoothies & Fruit Solutions S.L.**

Registered office: Spain

Nature of business: Wholesale of fruit and vegetables

	% holding
Class of shares:	
Ordinary	50.00

Notes to the Financial Statements - continued
for the year ended 28 February 2021**11. STOCKS**

	2021 £	2020 £
Stocks	<u>5,837,986</u>	<u>6,109,790</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	2,338,492	2,693,206
Amounts owed by joint ventures	46,500	-
Other debtors	15,564	20,814
Smoothieelicious loan	92,322	92,322
VAT	343,493	225,689
Prepayments	74,128	75,221
	<u>2,910,499</u>	<u>3,107,252</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Bank loans and overdrafts (see note 15)	3,149,288	5,229,706
Hire purchase contracts (see note 16)	193,964	185,268
Trade creditors	3,047,527	3,045,908
Tax	207,420	309,524
Social security and other taxes	25,093	25,878
Other creditors	21,208	7,865
Directors' loan accounts	170,180	170,180
Accruals and deferred income	-	46,491
Accrued expenses	288,169	183,245
	<u>7,102,849</u>	<u>9,204,065</u>

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

	2021 £	2020 £
Bank loans (see note 15)	2,910,334	1,712,586
Hire purchase contracts (see note 16)	308,651	399,965
	<u>3,218,985</u>	<u>2,112,551</u>

Notes to the Financial Statements - continued
for the year ended 28 February 2021**15. LOANS**

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year or on demand:		
Bank overdrafts	2,945,923	5,127,345
Bank loans	<u>203,365</u>	<u>102,361</u>
	<u>3,149,288</u>	<u>5,229,706</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>388,172</u>	<u>105,770</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>1,196,038</u>	<u>338,920</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans payable after more than 5 years by instalments	<u>1,326,124</u>	<u>1,267,896</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts 2021 £	2020 £
Net obligations repayable:		
Within one year	193,964	185,268
Between one and five years	<u>308,651</u>	<u>399,965</u>
	<u>502,615</u>	<u>585,233</u>
	Non-cancellable operating leases	
	2021 £	2020 £
Within one year	10,531	16,304
Between one and five years	<u>5,445</u>	<u>16,114</u>
	<u>15,976</u>	<u>32,418</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2021 £	2020 £
Bank overdrafts	2,945,923	5,127,345
Bank loans	3,113,699	1,814,947
Hire purchase contracts	<u>502,615</u>	<u>585,233</u>
	<u>6,562,237</u>	<u>7,527,525</u>

The companies bank borrowings are secured by fixed and floating charges over the assets of the company. There is a right of set-off between the bank overdraft and credit balances held in the same bank. The bank overdraft disclosed above includes £2,945,923 (2020: £4,796,729) in respect of borrowings provided under a confidential invoice discounting facility (that is secured on the trade debtors of the company) and an import finance facility.

During the year 2 Coronavirus Business Interruption Loans were taken out for £1,350,000 with guarantees given by the UK Government under CBILS (The CBILS Guarantee).

Hire purchase creditors are secured on fixed assets to which they relate.

18. PROVISIONS FOR LIABILITIES

	2021 £	2020 £
Deferred tax - accelerated capital allowances	<u>183,538</u>	<u>161,492</u>
	<u>183,538</u>	<u>161,492</u>
		Deferred tax
		£
Balance at 1 March 2020		161,492
Provided during year		<u>22,046</u>
Balance at 28 February 2021		<u>183,538</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2021	2020
Number:	Class:		£	£
267	Ordinary	£1	<u>267</u>	<u>267</u>

20. RESERVES

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 March 2020	1,934,098	289,765	1,084	2,224,947
Profit for the year	797,523			797,523
Dividends	(295,000)			(295,000)
At 28 February 2021	<u>2,436,621</u>	<u>289,765</u>	<u>1,084</u>	<u>2,727,470</u>

21. RELATED PARTY DISCLOSURES

Smootheelicious Limited is a company, the shareholdings in which are the same as for Newberry International Produce Limited.

In addition to transactions and trading balances that are conducted on an arms-length basis, the company has also provided a loan to Smootheelicious Limited that is not subject to interest. The balance as at 28 February 2021 was £92,322 (2020 - £92,322).

Mrs G L Taylor, a director and shareholder Newberry International Produce Limited, has provided a loan to the company during the period. At the year end the amount due from the company was £170,180 (2020: £170,180). There is no interest charged on the loan and the outstanding amount is repayable on demand.

During the year Newberry International Produce Limited entered into a Joint Venture and acquired 50% of the share capital of Love Life Smoothies & Fruit Solutions S.L In order to assist with the initial funding of working capital the company has provided a loan to Love Life Smoothies & Fruit Solutions S.L. that is not subject to interest. The balance as at 28th February 2021 was £46,500. The company also supplied some initial stocks to Love Life Smoothies & Fruit Solutions S.L. on an arms length basis, as at 28th February 2021 an amount of £45,765 (2020 - £nil) is included in trade debtors in respect of amounts owing to Newberry International Produce Limited.

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