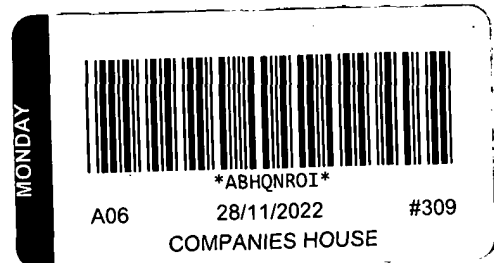


Company Registration No. 06061061 (England and Wales)

**IHP LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2022**



# IHP LTD

## COMPANY INFORMATION

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<b>Directors</b>	Mr A Iqbal Mr P Winson
<b>Company number</b>	06061061
<b>Registered office</b>	2nd Floor 167-169 Great Portland St London W1W 5PF
<b>Auditor</b>	Sam Rogoff & Co Ltd 167-169 Great Portland St London W1W 5PF
<b>Business address</b>	Bell Farm Shantock Hall Lane Bovingdon Herts HP3 0NQ

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# **IHP LTD**

## **CONTENTS**

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	<b>Page</b>
Strategic report	<b>1</b>
Directors' report	<b>2 - 3</b>
Independent auditor's report	<b>4 - 6</b>
Statement of comprehensive income	<b>7</b>
Balance sheet	<b>8</b>
Statement of changes in equity	<b>9</b>
Statement of cash flows	<b>10</b>
Notes to the financial statements	<b>11 - 23</b>

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# IHP LTD

## STRATEGIC REPORT

### FOR THE YEAR ENDED 28 FEBRUARY 2022

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The directors present the strategic report for the year ended 28 February 2022.

The members of the company are also members of the company's management. There is neither an expectation that this situation will change in the near future nor the intention to change this situation. The directors have prepared this report in the knowledge that the company's members are fully informed of the company's development and performance, principal risks and uncertainties and matters of strategic importance.

#### Fair review of the business

The principal activity of the company is the processing and manufacture of poultry products. There have not been any significant changes in the company's principal activities in the period under review or post year end.

The company's trading performance in the year ended 28 February 2022 has seen strong growth in turnover from the prior year and an increase in the Gross Profit margin.

The company is actively looking to expand operations and took the decision to invest in a farm during the year that would be used to place chicks for growing. The purchase was completed in September 2021.

#### Principal risks and uncertainties

The principal risks and uncertainties faced by the company are common to those faced by other businesses operating in the poultry processing industry. The key risk factor continues to be the cost and availability of poultry which can be affected by the market price for the end product, the price of feed, weather conditions, and any poultry disease outbreaks. The directors closely monitor these factors to help mitigate the risk and are confident that the company is well placed for the next financial year. Control measures are in place and can be implemented to try and minimise the risk of contamination and spread of Coronavirus should there be a further outbreak.

#### Key performance indicators

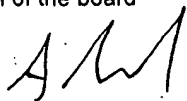
KPIs relevant for the company have been calculated as follows:

	28.02.2022 £000s	28.02.2021 £000s
Sales	65,878	56,913
Gross Profit	4,149	2,479
Operating profit/(loss)	2,126	770
Profit/(loss) before tax	2,087	724

#### Future Prospects

The directors consider the future prospects of the company to be promising due to the strong levels of growth and are actively looking to invest and expand operations further having completed the purchase of the farm during the year.

On behalf of the board



Mr A Iqbal  
Director

21 November 2022

# **IHP LTD**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 28 FEBRUARY 2022**

---

The directors present their annual report and financial statements for the year ended 28 February 2022.

A fair review of the business, the principal risks and uncertainties, key performance indicators and the future prospects of the company are disclosed in the Strategic Report.

#### **Principal activities**

The principal activity of the company continued to be that of the processing and manufacture of poultry products.

#### **Results and dividends**

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £270,000. The directors do not recommend payment of a final dividend.

#### **Directors**

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

Mr A Iqbal

Mr G Tatum

Mr P Winson

(Resigned 3 August 2021)

#### **Auditor**

In accordance with the company's articles, a resolution proposing that Sam Rogoff & Co Ltd be reappointed as auditor of the company will be put at a General Meeting.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the company's auditors are unaware. They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Under Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

# IHP LTD

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 28 FEBRUARY 2022**

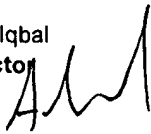
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### Statement of disclosure to auditor

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

On behalf of the board

Mr A Iqbal  
Director



21 November 2022

# IHP LTD

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IHP LTD

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### Opinion

We have audited the financial statements of IHP Ltd (the 'company') for the year ended 28 February 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

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

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# IHP LTD

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF IHP LTD

---

#### **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 and the directors' report.

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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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.

Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as considerations as to where and how fraud may occur in the entity.

Based on our understanding of the company and the industry, we identified that key legislation includes the Companies Act 2006, UK Financial reporting standards, UK tax legislation, distributable profits legislation, Food Standards legislation, and Health and Safety legislation. We discussed with the directors their policies and procedures regarding compliance with laws and regulations.

We considered the extent to which non-compliance might have a material effect on the financial statements and the audit team was alert to any indicators of non-compliance. We did not identify any instances of actual or suspected non-compliance.

In consideration of the extent to which the financial statements might be materially misstated we identified that the principal risk related to management bias affecting accounting estimates. Accordingly, we carried out audit procedures including enquiry and challenge of management estimates, testing the appropriateness of entries in the nominal ledger, and the performance of analytical procedures.

There are inherent limitations in the audit procedures carried out, and any irregularities arising from fraud may be inherently more difficult to detect than those resulting from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).



# **IHP LTD**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF IHP LTD**

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A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Emily Brown (Senior Statutory Auditor)**  
**For and on behalf of Sam Rogoff & Co Ltd**

21 November 2022

**Chartered Accountants**  
**Statutory Auditor**

167-169 Great Portland St  
London  
W1W 5PF

# IHP LTD

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2022

	Notes	2022 £	2021 £
Turnover	3	65,878,899	56,913,307
Cost of sales		(61,729,037)	(54,434,221)
<b>Gross profit</b>		<b>4,149,862</b>	<b>2,479,086</b>
Administrative expenses		(2,046,205)	(1,791,157)
Other operating income		22,536	82,615
<b>Operating profit</b>	4	<b>2,126,193</b>	<b>770,544</b>
Interest receivable and similar income	8	7	59
Interest payable and similar expenses	9	(38,377)	(46,309)
<b>Profit before taxation</b>		<b>2,087,823</b>	<b>724,294</b>
Tax on profit	10	270,913	410,004
<b>Profit for the financial year</b>		<b>2,358,736</b>	<b>1,134,298</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# IHP LTD

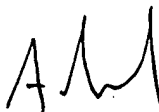
## BALANCE SHEET

AS AT 28 FEBRUARY 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	13		2,865,651		1,498,910
<b>Current assets</b>					
Stocks	14	1,061,574		621,270	
Debtors	15	6,997,903		6,182,457	
Cash at bank and in hand		2,680,154		1,415,092	
		10,739,631		8,218,819	
<b>Creditors: amounts falling due within one year</b>	16	(7,642,000)		(5,981,867)	
<b>Net current assets</b>			3,097,631		2,236,952
<b>Total assets less current liabilities</b>			5,963,282		3,735,862
<b>Creditors: amounts falling due after more than one year</b>	17		(271,544)		(242,503)
<b>Provisions for liabilities</b>			(295,025)		(185,378)
<b>Net assets</b>			5,396,713		3,307,981
<b>Capital and reserves</b>					
Called up share capital	22		2		2
Profit and loss reserves			5,396,711		3,307,979
<b>Total equity</b>			5,396,713		3,307,981

The financial statements were approved by the board of directors and authorised for issue on 21 November 2022 and are signed on its behalf by:

Mr A Iqbal  
Director



Company Registration No. 06061061

# IHP LTD

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2022

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 March 2020</b>		2	2,431,681	2,431,683
<b>Year ended 28 February 2021:</b>				
Profit and total comprehensive income for the year		-	1,134,298	1,134,298
Dividends	12	-	(258,000)	(258,000)
<b>Balance at 28 February 2021</b>		2	3,307,979	3,307,981
<b>Year ended 28 February 2022:</b>				
Profit and total comprehensive income for the year		-	2,358,736	2,358,736
Dividends	12	-	(270,000)	(270,000)
<b>Balance at 28 February 2022</b>		2	5,396,711	5,396,713

# IHP LTD

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	27	3,292,266		312,901	
Interest paid		(38,378)		(46,309)	
Income taxes (paid)/refunded		-		721,690	
<b>Net cash inflow from operating activities</b>		<b>3,253,888</b>		<b>988,282</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,808,020)		(357,056)	
Proceeds on disposal of tangible fixed assets		35,634		16,001	
Interest received		7		59	
<b>Net cash used in investing activities</b>		<b>(1,772,379)</b>		<b>(340,996)</b>	
<b>Financing activities</b>					
Payment of finance leases obligations		53,553		62,445	
Dividends paid		(270,000)		(258,000)	
<b>Net cash used in financing activities</b>		<b>(216,447)</b>		<b>(195,555)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>1,265,062</b>		<b>451,731</b>	
Cash and cash equivalents at beginning of year		1,415,092		963,358	
<b>Cash and cash equivalents at end of year</b>		<b>2,680,154</b>		<b>1,415,089</b>	

# IHP LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

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### 1 Accounting policies

#### Company information

IHP Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 2nd Floor, 167-169 Great Portland St, London, W1W 5PF.

#### 1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

#### 1.2 Going concern

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

The Directors have considered the economic outlook and the business risks in response to the Coronavirus Pandemic. The Directors believe that the company has put in place suitable measures to continue to operate long term and are involved in the day to day running of operations in order to monitor developments and ensure the company remains competitive and profitable. The company also has strong reserves in place.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods, being Poultry, provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

#### 1.4 Tangible fixed assets

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

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

Plant and machinery	25% on reducing Balance
Fixtures, fittings & equipment	25% on reducing Balance
Motor vehicles	25% on reducing Balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# IHP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2022

---

### 1 Accounting policies

(Continued)

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Stock held includes growing chicks placed at growers, finished goods on-site, frozen goods, packaging, and feed.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

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

# IHP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2022

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial assets***

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

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Other financial liabilities***

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

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### ***Derecognition of financial liabilities***

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

### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.



# IHP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 28 FEBRUARY 2022

---

#### 1 Accounting policies

(Continued)

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

##### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### **1.13 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

##### **1.14 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

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

# IHP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2022

### 1 Accounting policies

(Continued)

#### 1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

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

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

#### Key sources of judgements and estimation uncertainty

The following judgements, estimates and assumptions which have had the most significant effect on amounts recognised in the financial statements are as follows.

#### Assessing indicators of impairment

In assessing whether there have been any indicators of impairment assets, the directors have considered both internal and external sources of information such as experience of recoverability and market conditions. There have been no indicators of impairments identified during the current financial year.

#### Recoverability of debtors

The company establishes a provision for debtors that are estimated not to be recoverable. When assessing recoverability the directors have considered factors such as the aging of the debtors, past experience of recoverability, and the credit profile of the customer.

#### Determining residual values and useful economic lives of property, plant and equipment

The company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance.

#### Stock

Judgement is required to ascertain the value for certain elements of stock. When assessing the valuation the directors consider market conditions and previous experience to ensure held at the lower of cost and net realisable value.

### 3 Turnover and other revenue

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

	2022 £	2021 £
Turnover analysed by class of business		
Sales of Poultry	65,878,899	56,913,307

# IHP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2022

### 3 Turnover and other revenue (Continued)

	2022	2021
	£	£
<b>Other significant revenue</b>		
Interest income	7	59
Grants received	16,393	82,615

All revenue arose within the United Kingdom and is attributable to the principal activity of the company.

### 4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	304	222
Government grants	(16,393)	(82,615)
Depreciation of owned tangible fixed assets	415,720	451,194
(Profit)/loss on disposal of tangible fixed assets	(10,074)	37,382
Cost of stocks recognised as an expense	47,904,484	40,691,986
Operating lease charges	306,092	301,915

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £304 (2021 - £222).

### 5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	11,000	11,000

### 6 Employees

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

	2022	2021
	Number	Number
Administration	16	14
Production	162	179
<b>Total</b>	<b>178</b>	<b>193</b>

# IHP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2022

### 6 Employees (Continued)

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	5,856,990	5,951,285
Social security costs	595,370	592,734
Pension costs	126,028	156,503
	<u>6,578,388</u>	<u>6,700,522</u>

### 7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	248,492	258,131
Company pension contributions to defined contribution schemes	40,000	50,000
	<u>288,492</u>	<u>308,131</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	206,892	234,869
Company pension contributions to defined contribution schemes	40,000	50,000
	<u>246,892</u>	<u>284,869</u>

### 8 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	7	59
	<u>7</u>	<u>59</u>
Interest on financial assets not measured at fair value through profit or loss	7	59
	<u>7</u>	<u>59</u>

# IHP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2022

### 9 Interest payable and similar expenses

	2022 £	2021 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest and Charges on bank overdrafts and loans	33,631	39,613
Interest on finance leases and hire purchase contracts	4,746	6,696
	<u>38,377</u>	<u>46,309</u>

### 10 Taxation

	2022 £	2021 £
<b>Current tax</b>		
Adjustments in respect of prior periods	-	(276,617)
<b>Deferred tax</b>		
Origination and reversal of timing differences	(270,913)	(133,387)
	<u>(270,913)</u>	<u>(410,004)</u>

The actual credit for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	<u>2,087,823</u>	<u>724,294</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	396,686	137,616
Tax effect of expenses that are not deductible in determining taxable profit	83,076	152,929
Tax effect of utilisation of tax losses not previously recognised	(346,772)	(202,962)
Change in deferred tax	(270,913)	(133,387)
Research and development tax credit	-	(276,617)
Capital allowances in excess of depreciation	(132,990)	(87,583)
Taxation credit for the year	<u>(270,913)</u>	<u>(410,004)</u>

### 11 Development Expenditure (R&D)

The company prepared an R&D claim for the 2021 accounting period which is reflected in the 2022 financial statements. The total qualifying expenditure for the 2021 claim was £2.461m. The company is in the process of preparing the R&D claim for 2022 at the date of signing and this is not reflected in the current year financial statements.

# IHP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2022

### 12 Dividends

	2022 £	2021 £
Interim paid	270,000	258,000

### 13 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 March 2021	-	3,547,173	119,305	301,796	3,968,274
Additions	1,154,651	316,370	9,911	327,088	1,808,020
Disposals	-	(40,000)	-	(11,500)	(51,500)
At 28 February 2022	1,154,651	3,823,543	129,216	617,384	5,724,794
<b>Depreciation and impairment</b>					
At 1 March 2021	-	2,227,288	80,434	161,642	2,469,363
Depreciation charged in the year	-	335,202	9,328	71,190	415,720
Eliminated in respect of disposals	-	(20,208)	-	(5,732)	(25,940)
At 28 February 2022	-	2,542,282	89,761	227,100	2,859,143
<b>Carrying amount</b>					
At 28 February 2022	1,154,651	1,281,261	39,455	390,284	2,865,651
At 28 February 2021	-	1,319,885	38,871	140,154	1,498,910

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022 £	2021 £
Motor vehicles	212,947	42,594

### 14 Stocks

	2022 £	2021 £
Raw materials and consumables	889,616	350,780
Finished goods and goods for resale	171,958	270,490
	1,061,574	621,270

# IHP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2022

### 15 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	5,446,967	5,133,073
Other debtors	526,437	446,384
Prepayments and accrued income	275,731	234,792
	<u>6,249,135</u>	<u>5,814,249</u>
Deferred tax asset (note 19)	528,768	148,208
	<u>6,777,903</u>	<u>5,962,457</u>
	<b>2022 £</b>	<b>2021 £</b>
<b>Amounts falling due after more than one year:</b>		
Other debtors	220,000	220,000
	<u>220,000</u>	<u>220,000</u>
<b>Total debtors</b>	<u>6,997,903</u>	<u>6,182,457</u>

Included in other debtors is £220,000 relating to the rent deposit, recoverable after more than one year.

### 16 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Obligations under finance leases	18	74,238	89,559
Trade creditors		6,434,615	4,988,047
Taxation and social security		106,625	441,996
Other creditors		116,690	108,892
Accruals and deferred income		909,832	353,373
		<u>7,642,000</u>	<u>5,981,867</u>

### 17 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Obligations under finance leases	18	68,874	-
Other creditors		202,670	242,503
		<u>271,544</u>	<u>242,503</u>

# IHP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2022

### 18 Finance lease obligations

	2022 £	2021 £
Future minimum lease payments due under finance leases:		
Within one year	74,238	78,309
In two to five years	68,874	11,250
	<u>143,112</u>	<u>89,559</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 19 Deferred taxation

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

	Liabilities 2022 £	Liabilities 2021 £	Assets 2022 £	Assets 2021 £
<b>Balances:</b>				
Accelerated capital allowances	295,025	185,378	-	-
Tax losses	-	-	528,768	148,208
	<u>295,025</u>	<u>185,378</u>	<u>528,768</u>	<u>148,208</u>

	2022 £
<b>Movements in the year:</b>	
Liability at 1 March 2021	37,170
Credit to profit or loss	(270,913)
Asset at 28 February 2022	<u>(233,743)</u>

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of £2.151m tax losses against future expected profits of the same period. The deferred tax liability set out above is expected to reverse within 48 months and relates to accelerated capital allowances that are expected to mature within the same period.

The deferred tax asset is recognised in respect of unused tax losses as it is probable that they will be recovered against future taxable profits within 12 months.

### 20 Government grants

The company received government grants totalling £16,393 in the year, all relating to furlough payments received under the Coronavirus Job Retention Scheme.



# IHP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2022

### 21 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	126,028	156,503

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 22 Share capital

	2022 £	2021 £
<b>Ordinary share capital Issued and fully paid</b>		
2 Ordinary Shares of £1 each	2	2

The company has one class of ordinary shares which carry full voting rights and no right to fixed income.

### 23 Operating lease commitments

#### Lessee

Operating lease payments represent rentals payable by the company for use of the site, Bell Farm. Rent payable over the lease term is spread on a straight line basis. Due to the nature of the lease and use of operating equipment rental costs are included within licence fees.

Operating lease payments recognised as an expense in the year totalled £250k.

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

	2022 £	2021 £
Within one year	250,000	250,000
Between two and five years	250,000	500,000
	500,000	750,000

### 24 Events after the reporting date

The ongoing threat of the Coronavirus Pandemic is unknown as this is subject to any further restrictions being imposed.

At the date of signing the spread of bird flu within the UK is a concern as this could cause possible shortages.

Due to the nature of both, an estimate of the financial effect cannot be made.

### 25 Related party transactions

# IHP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2022

### 25 Related party transactions

(Continued)

Transactions took place with five associated company's during the year. A total of £3,129,472 sales, and £5,262,031 purchases were made to the related parties during the accounting period. At the year-end, there was an amount of £424,253 owed from the companies which is held within trade and other debtors, and an amount of £67,764 owing to the companies which is held within trade and other creditors.

All transactions during the reporting period took place on an arms length basis under normal market conditions and are payable under standard trading terms.

£220,000 in relation to the rent deposit remains owing from Harefield Development Co Ltd, recoverable over more than one year.

### 26 Ultimate controlling party

A. Iqbal and M. Tatum are the sole shareholders, both with a 50% holding meaning there is no ultimate controlling party.

### 27 Cash generated from operations

	2022 £	2021 £
Profit for the year after tax	2,358,736	1,134,298
<b>Adjustments for:</b>		
Taxation credited	(270,913)	(410,004)
Finance costs	38,377	46,309
Investment income	(7)	(59)
(Gain)/loss on disposal of tangible fixed assets	(10,074)	37,382
Depreciation and impairment of tangible fixed assets	415,719	451,194
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(440,304)	329,238
Increase in debtors	(434,886)	(297,631)
Increase/(decrease) in creditors	1,635,621	(977,823)
<b>Cash generated from operations</b>	<b>3,292,269</b>	<b>312,904</b>

### 28 Analysis of changes in net funds

	1 March 2021 £	Cash flows £	28 February 2022 £
Cash at bank and in hand	1,415,092	1,265,062	2,680,154
Obligations under finance leases	(89,559)	(53,553)	(143,112)
	<u>1,325,533</u>	<u>1,211,509</u>	<u>2,537,042</u>