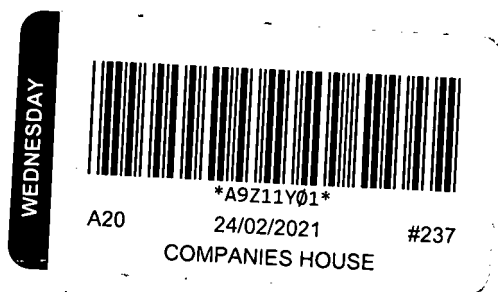


Registration number: 04723144

Extons Foods Ltd

Annual Report and Financial Statements
for the Year Ended 31 May 2020

Thompson Jones Audit LLP
Statutory Auditors & Chartered Accountants
2 Heap Bridge
Bury
Lancashire
BL9 7HR



Extons Foods Ltd

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Extens Foods Ltd

Company Information

Directors R Edwards
E Parkinson

Company secretary J N Exton

Registered office 2 Heap Bridge
Bury
Lancashire
BL9 7HR

Bankers National Westminster Bank PLC
Manchester City Centre
11 Spring Gardens
Manchester
M2 1FB

Auditors Thompson Jones Audit LLP
Statutory Auditors & Chartered Accountants
2 Heap Bridge
Bury
Lancashire
BL9 7HR

Extons Foods Ltd

Strategic Report for the Year Ended 31 May 2020

The directors present their strategic report for the year ended 31 May 2020.

Principal activity

The principal activity of the company is the slicing and grating of cheese.

Fair review of the business

The results for the year are set out in the profit and loss account. The directors consider these to be in line with expectations.

Turnover has increased by 2.3% over the previous year. The gross profit percentage has remained consistent at 8%.

The directors are pleased with the results for this reporting period which show a pre-tax profit of £1,284,963 (2019 : £1,181,556) and are confident of ongoing success in the upcoming year.

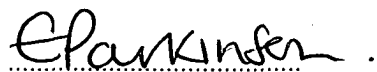
Principal risks and uncertainties

Exposure to commodity price fluctuations.
Business interruption and disaster planning.
Introduction of new and changes to existing legislation.

The directors believe they have managed the above risks responsibly and that none of them has impacted in any material way on the resultant financial position or the company's profitability for this reporting period.

In March 2020 the World Health Organisation declared the outbreak of a coronavirus (COVID-19) pandemic. The outbreak has impacted the trade of the company but the directors have reviewed the risks and are confident the company is well placed to mitigate these given its strong supply chain together with strong working capital management.

Approved by the Board on 23 November 2020 and signed on its behalf by:



E Parkinson
Director

Extens Foods Ltd

Directors' Report for the Year Ended 31 May 2020

The directors present their report and the financial statements for the year ended 31 May 2020.

Directors of the company

The directors who held office during the year were as follows:

R Edwards

E Parkinson

Financial instruments

Objectives and policies

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

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at a fixed rate of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest.

Trade debtors are managed in respect of credit and also by using an invoice discounting scheme. This helps to manage the business' cash flow. The trade debtors are heavily monitored for amounts outstanding and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

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

Loans comprise loans from financial institutions. The interest rates and monthly repayments are fixed. Within the year the loan has been repaid in full and the corresponding charges in relation to this charged to the profit and loss account.

Price risk, credit risk, liquidity risk and cash flow risk

Credit risk

The company operates credit control policies to assess customer credit rating and provides for any debt that is deemed non-recoverable. Historically losses from trade debtors have been low.

Liquidity risk

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and finance leases as appropriate.

Going concern

In March 2020, the World Health Organisation declared the outbreak of a coronavirus (COVID-19) pandemic. As stated in the strategic report the directors have reviewed the risks that have arisen from the pandemic. The directors continue to review and assess the current forecast and projections for the company. As a result, the directors have concluded that the company has adequate and sufficient resources to continue to adopt a going concern basis in preparing the financial statements.

Extons Foods Ltd

Directors' Report for the Year Ended 31 May 2020

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 23 November 2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'E Parkinson', written over a dotted line.

E Parkinson
Director

Extons Foods Ltd

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Extons Foods Ltd

Independent Auditor's Report to the Members of Extons Foods Ltd

Opinion

We have audited the financial statements of Extons Foods Ltd (the 'company') for the year ended 31 May 2020, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and 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 May 2020 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Extons Foods Ltd

Independent Auditor's Report to the Members of Extons Foods Ltd

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Statement of Directors' Responsibilities [set out on page 5], 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.

Extons Foods Ltd

Independent Auditor's Report to the Members of Extons Foods Ltd

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment 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 auditor's report 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 auditor's report. 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

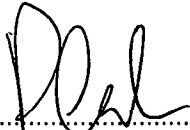
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Extons Foods Ltd

Independent Auditor's Report to the Members of Extons Foods Ltd

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.



.....
Peter Carlin BSc FCA (Senior Statutory Auditor)
For and on behalf of Thompson Jones Audit LLP, Statutory Auditor

2 Heap Bridge
Bury
Lancashire
BL9 7HR

23 November 2020

Extons Foods Ltd

Profit and Loss Account for the Year Ended 31 May 2020

	Note	2020 £	2019 £
Turnover	3	48,127,013	47,026,558
Cost of sales		<u>(44,301,973)</u>	<u>(43,493,495)</u>
Gross profit		3,825,040	3,533,063
Administrative expenses		<u>(2,540,077)</u>	<u>(2,336,817)</u>
Operating profit	4	<u>1,284,963</u>	<u>1,196,246</u>
Interest payable and similar expenses	5	<u>-</u>	<u>(14,690)</u>
		<u>-</u>	<u>(14,690)</u>
Profit before tax		1,284,963	1,181,556
Taxation	9	<u>(245,099)</u>	<u>(248,135)</u>
Profit for the financial year		<u><u>1,039,864</u></u>	<u><u>933,421</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Extons Foods Ltd

Statement of Comprehensive Income for the Year Ended 31 May 2020

	2020	2019
	£	£
Profit for the year	<u>1,039,864</u>	<u>933,421</u>
Total comprehensive income for the year	<u><u>1,039,864</u></u>	<u><u>933,421</u></u>

Extons Foods Ltd

(Registration number: 04723144)
Balance Sheet as at 31 May 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	10	3,796,840	2,447,506
Current assets			
Stocks	11	2,293,542	2,481,582
Debtors	12	3,243,998	5,867,584
Cash at bank and in hand		21,377	69,230
		<u>5,558,917</u>	<u>8,418,396</u>
Creditors: Amounts falling due within one year	14	<u>(3,224,392)</u>	<u>(5,634,401)</u>
Net current assets		<u>2,334,525</u>	<u>2,783,995</u>
Total assets less current liabilities		6,131,365	5,231,501
Provisions for liabilities	15	<u>(440,000)</u>	<u>(280,000)</u>
Net assets		<u>5,691,365</u>	<u>4,951,501</u>
Capital and reserves			
Called up share capital	17	65,000	65,000
Other reserves		15,000	15,000
Profit and loss account		<u>5,611,365</u>	<u>4,871,501</u>
Total equity		<u>5,691,365</u>	<u>4,951,501</u>

Approved and authorised by the Board on 23 November 2020 and signed on its behalf by:



E Parkinson
Director

Extons Foods Ltd

Statement of Changes in Equity for the Year Ended 31 May 2020

	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 June 2019	65,000	15,000	4,871,501	4,951,501
Profit for the year	-	-	1,039,864	1,039,864
Total comprehensive income	-	-	1,039,864	1,039,864
Dividends	-	-	(300,000)	(300,000)
At 31 May 2020	<u>65,000</u>	<u>15,000</u>	<u>5,611,365</u>	<u>5,691,365</u>

	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 June 2018	65,000	15,000	4,224,579	4,304,579
Profit for the year	-	-	933,421	933,421
Total comprehensive income	-	-	933,421	933,421
Dividends	-	-	(286,499)	(286,499)
At 31 May 2019	<u>65,000</u>	<u>15,000</u>	<u>4,871,501</u>	<u>4,951,501</u>

Extons Foods Ltd

Statement of Cash Flows for the Year Ended 31 May 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Profit for the year after taxation		1,039,864	933,421
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	470,104	330,030
Finance costs	5	-	14,690
Corporation and deferred tax expense	9	245,099	248,135
		<u>1,755,067</u>	<u>1,526,276</u>
Working capital adjustments			
Decrease/(increase) in stocks	11	188,040	(950,704)
Decrease/(increase) in trade and other debtors	12	2,623,586	(1,066,056)
(Decrease)/increase in creditors excluding loans and tax	14	<u>(2,260,846)</u>	<u>859,425</u>
Cash generated from operations		2,305,847	368,941
Corporation taxes paid	9	<u>(234,262)</u>	<u>(120,472)</u>
Net cash flow from operating activities		<u>2,071,585</u>	<u>248,469</u>
Cash flows from investing activities			
Acquisitions of tangible assets	10	(1,819,438)	(192,189)
Cash flows from financing activities			
Interest paid	5	-	(234)
Payments to finance lease creditors		-	(87,700)
Dividends paid	20	(300,000)	(286,499)
Hire purchase interest	5	<u>-</u>	<u>(14,456)</u>
Net cash flows from financing activities		<u>(300,000)</u>	<u>(388,889)</u>
Net decrease in cash and cash equivalents		(47,853)	(332,609)
Cash and cash equivalents at 1 June 2016		<u>69,230</u>	<u>401,839</u>
Cash and cash equivalents at 31 May 2017		<u><u>21,377</u></u>	<u><u>69,230</u></u>

Extons Foods Ltd

Notes to the Financial Statements for the Year Ended 31 May 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

2 Heap Bridge
Bury
Lancashire
BL9 7HR

The principal place of business is:

Units 5&6
Roundthorne Industrial Estate
Caldey Road
Manchester
M23 9GE

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Extons Foods Ltd

Notes to the Financial Statements for the Year Ended 31 May 2020

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant & Machinery	8.33% straight line basis
Fixtures & Fittings	15% reducing balance
Motor Vehicles	25% reducing balance
Computer Equipment	33% straight line basis
Leasehold Building Improvements	Over the life of the lease

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Extons Foods Ltd

Notes to the Financial Statements for the Year Ended 31 May 2020

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2020	2019
	£	£
Sale of goods and services	<u>48,127,013</u>	<u>47,026,558</u>

4 Operating profit

Arrived at after charging/(crediting)

	2020	2019
	£	£
Depreciation expense	470,104	330,030
Operating lease expense - plant and machinery	<u>13,955</u>	<u>15,113</u>

Extens Foods Ltd

Notes to the Financial Statements for the Year Ended 31 May 2020

5 Interest payable and similar expenses

	2020 £	2019 £
Interest on obligations under finance leases and hire purchase contracts	-	14,456
Interest expense on other finance liabilities	-	234
	<u>-</u>	<u>14,690</u>

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £	2019 £
Wages and salaries	2,474,072	2,401,485
Social security costs	215,032	177,886
Other short-term employee benefits	27,293	20,512
Pension costs, defined contribution scheme	97,802	73,365
Furlough grant	(78,011)	-
Share-based payment expenses	19,557	41,762
Other employee expense	226,494	200,856
	<u>2,982,239</u>	<u>2,915,866</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Production	90	88
Administration and support	12	12
Sales	2	2
Distribution	16	16
Other departments	7	7
	<u>127</u>	<u>125</u>

Extens Foods Ltd

Notes to the Financial Statements for the Year Ended 31 May 2020

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	57,047	55,463
Contributions paid to money purchase schemes	48,000	37,000
	<u>105,047</u>	<u>92,463</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2020 No.	2019 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

8 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	<u>15,000</u>	<u>16,660</u>

9 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
Current taxation		
UK corporation tax	85,000	210,000
UK corporation tax adjustment to prior periods	99	(1,865)
	<u>85,099</u>	<u>208,135</u>
Deferred taxation		
Arising from origination and reversal of timing differences	<u>160,000</u>	<u>40,000</u>
Tax expense in the income statement	<u>245,099</u>	<u>248,135</u>

Extens Foods Ltd

Notes to the Financial Statements for the Year Ended 31 May 2020

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2019 - the same as the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	<u>1,284,963</u>	<u>1,181,556</u>
Corporation tax at standard rate	244,143	224,496
Effect of expense not deductible in determining taxable profit (tax loss)	1,470	-
Increase/(decrease) in UK and foreign current tax from adjustment for prior periods	99	(1,865)
Tax (decrease)/increase from effect of capital allowances and depreciation	(1,975)	25,603
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>1,362</u>	<u>(99)</u>
Total tax charge	<u><u>245,099</u></u>	<u><u>248,135</u></u>

Deferred tax

Deferred tax assets and liabilities

	Liability £
2020	
Capital allowances in excess of depreciation	<u>440,000</u>
2019	
Capital allowances in excess of depreciation	<u>280,000</u>

Extens Foods Ltd

Notes to the Financial Statements for the Year Ended 31 May 2020

10 Tangible assets

	Leasehold building improvements £	Fixtures and fittings £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 June 2019	682,446	41,646	3,098,489	99,687	49,297	3,971,565
Additions	8,550	4,403	1,789,220	17,265	-	1,819,438
At 31 May 2020	690,996	46,049	4,887,709	116,952	49,297	5,791,003
Depreciation						
At 1 June 2019	85,842	16,268	1,292,333	82,761	46,855	1,524,059
Charge for the year	76,287	3,988	373,169	16,036	624	470,104
At 31 May 2020	162,129	20,256	1,665,502	98,797	47,479	1,994,163
Carrying amount						
At 31 May 2020	528,867	25,793	3,222,207	18,155	1,818	3,796,840
At 31 May 2019	596,604	25,378	1,806,156	16,926	2,442	2,447,506

Extens Foods Ltd

Notes to the Financial Statements for the Year Ended 31 May 2020

11 Stocks

	2020 £	2019 £
Raw materials and finished goods	<u>2,293,542</u>	<u>2,481,582</u>

12 Debtors

	2020 £	2019 £
Trade debtors	2,681,054	4,865,897
Other debtors	238,140	763,384
Prepayments	<u>324,804</u>	<u>238,303</u>
	<u>3,243,998</u>	<u>5,867,584</u>

13 Cash and cash equivalents

	2020 £	2019 £
Cash on hand	6	1,468
Cash at bank	<u>21,371</u>	<u>67,762</u>
	<u>21,377</u>	<u>69,230</u>

14 Creditors

	Note	2020 £	2019 £
Due within one year			
Trade creditors		2,245,800	4,030,940
Social security and other taxes		55,312	55,455
Outstanding defined contribution pension costs		16,768	16,434
Other payables		500,535	707,007
Accrued expenses		320,977	590,402
Corporation tax liability	9	<u>85,000</u>	<u>234,163</u>
		<u>3,224,392</u>	<u>5,634,401</u>

Included in other payables is £475,978 (2019 : £700,203) which are secured by way of a fixed and floating charge over all property and assets of the company.

15 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 June 2019	280,000	280,000
Additional provisions	<u>160,000</u>	<u>160,000</u>
At 31 May 2020	<u>440,000</u>	<u>440,000</u>

Extens Foods Ltd

Notes to the Financial Statements for the Year Ended 31 May 2020

16 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £97,802 (2019 - £73,365).

Contributions totalling £16,768 (2019 - £16,434) were payable to the scheme at the end of the year and are included in creditors.

17 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary of £1 each	64,574	64,574	64,574	64,574
Ordinary class A shares of £1 each	242	242	242	242
Ordinary class B shares of £1 each	128	128	128	128
Ordinary class C shares of £1 each	43	43	43	43
Ordinary class D shares of £1 each	13	13	13	13
	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>

18 Loans and borrowings

Bank borrowings

The carrying amount at year end is £475,978 (2019 - £700,203).

Included in other creditors are the above amounts which are secured against assets of the company

19 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2020	2019
	£	£
Leases ending in over five years	1,972,500	2,235,500

The amount of non-cancellable operating lease payments recognised as an expense during the year was £263,000 (2019 - £244,424).

Extons Foods Ltd

Notes to the Financial Statements for the Year Ended 31 May 2020

20 Dividends

Dividends totalling £300,000 (2019:£286,499) were paid in the year.

21 Related party transactions

E & S Parkinson (Director and Shareholders)

There were loan transactions with E & S Parkinson. At the balance sheet date, the amount due from/(to) E & S Parkinson was £29,339 (2019:£35,464). This was repaid after the year end.

R & K Edwards (Director and Shareholders)

There were loan transactions with R & K Edwards. At the balance sheet date the amount due from/(to) R & K Edwards was £35,464 (2018: £21,881). This was repaid after the year end.

The J Exton Trust (Shareholder)

Dividends of £21,000 were credited to The J Exton Trust in the year. At the balance sheet date the amount due to The J Exton Trust was £21,000.