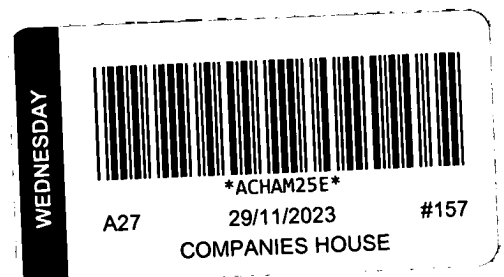


**COMPANY REGISTRATION NUMBER: 06511740**

**APPLIED NUTRITIONAL RESEARCH LTD**  
**FINANCIAL STATEMENTS**  
**28 FEBRUARY 2023**



# **APPLIED NUTRITIONAL RESEARCH LTD**

## **FINANCIAL STATEMENTS**

**Year ended 28 February 2023**

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# **APPLIED NUTRITIONAL RESEARCH LTD**

## **STRATEGIC REPORT**

### **Year ended 28 February 2023**

The directors present the Strategic Report of Applied Nutritional Research Ltd (the "Company") for the year ended 28 February 2023.

#### **Strategic objectives**

In the year ended 28 February 2023 we sought to consolidate the growth that was seen in 2022 while managing the cost inflation on most input costs most notably commodities and energy costs.

The year to February 2024 will see significant growth, the results of our continuing NPD pipeline with exciting launches to existing and new customers.

#### **Business review**

Extremely high price inflation continued in the first three quarters of the year from most commodities and energy supplies. Where possible, these costs have been passed onto the customers.

Turnover was £12,821,592 (2022: £11,680,305) increasing by 10% over the previous year. The business will continue to focus on launching new products to current and new customers cementing its position as the 'number one go-to' for nutritional baked products.

Selling prices were changed where possible to reflect increased material costs and rising overheads although this was not possible in all cases, operating profit came in at £1,006,710 (2022: £1,521,469) a fall of 34%.

#### **Principal risks and uncertainties**

The key operational risks facing ANR Ltd arise from the global cost and supply of materials.

#### **Financial key performance indicators**

##### **Net Sales**

Net sales for the year ended 28 February 2023 of £12,821,592 (2022: £11,680,305) equivalent to an increase of 10% mainly down to price increases.

##### **Gross Profit %**

Gross profit for the year ended 28 February 2022 was 40% which was a 5% decrease on 2022.

##### **Operating Profit**

Operating profit for the year ended 28 February 2022 of £1,006,710 which was a decrease of £524,759 in 2022.

#### **Section 172 Statement**

In accordance with section 172 of the Companies Act 2006 the directors present the following statement on the Company's engagement with employees. The directors at all times endeavour to act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have a regard to a range of matters when making long term strategic decisions. The directors retain oversight of matters of strategic importance including the long-term objectives of the Company.

Our success is built upon meeting our customers needs and requirements. The Company frequently engages with our customers in order to promote new products and to make sure the products are of a high quality.

The Company directors are actively involved in promoting employee engagement. The directors believe that the employees are fundamental to the continued and long-term success of the Company. During the year, active employee engagement activities include:

# **APPLIED NUTRITIONAL RESEARCH LTD**

## **STRATEGIC REPORT** *(continued)*

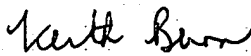
### **Year ended 28 February 2023**

- A workers committee meet with Directors to discuss issues on a monthly basis.
- A employee engagement survey was conducted again in 2022 which feedback was consolidated and fed back to directors and employees.
- To show the value placed on employees, the company paid each employee a 'one off' payment during the year to help with the cost-of-living increase

The Company has long standing relationships with customers and key suppliers within the manufacturing supply chain and is committed to acting fairly with stakeholders. Strong relationships with our supply chain are fundamental to the Company's long-term success in ensuing continued production of high quality nutritional baked products.

The directors aspire to the highest ethical standards in its management of the Company.

This report was approved by the board of directors on .....**23<sup>RD</sup> NOV 2023** and signed on behalf of the board by:



**Mr K A Burn**  
**Director**

# **APPLIED NUTRITIONAL RESEARCH LTD**

## **DIRECTORS' REPORT**

### **Year ended 28 February 2023**

The directors present their report and the financial statements of the company for the year ended 28 February 2023.

#### **Directors**

The directors who served the company during the year were as follows:

Mr M Richardson  
Mrs S Richardson  
Mr K A Burn  
Mr D S Jones

#### **Dividends**

Particulars of recommended dividends are detailed in note 12 to the financial statements.

#### **Disclosure of information in the strategic report**

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

#### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, directors' 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 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 judgments 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.

# **APPLIED NUTRITIONAL RESEARCH LTD**

## **DIRECTORS' REPORT** *(continued)*

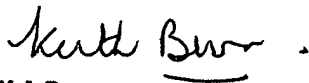
**Year ended 28 February 2023**

### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 23<sup>rd</sup> NOV 2023 and signed on behalf of the board by:



**Mr K A Burn**  
**Director**



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPLIED NUTRITIONAL RESEARCH LTD**

**Year ended 28 February 2023**

### **Opinion**

We have audited the financial statements of Applied Nutritional Research Ltd (the 'company') for the year ended 28 February 2023 which comprise the profit and loss account, balance sheet, statement of cash flows and the related notes, 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 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 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPLIED  
NUTRITIONAL RESEARCH LTD *(continued)***

**Year ended 28 February 2023**

**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. 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.

**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 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.

**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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPLIED  
NUTRITIONAL RESEARCH LTD *(continued)***

**Year ended 28 February 2023**

**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:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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



**KILSBY  
WILLIAMS**  
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPLIED  
NUTRITIONAL RESEARCH LTD (continued)**

**Year ended 28 February 2023**

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 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.

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

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

*Simon Tee 23rd November 2023*

**Simon Tee (Senior Statutory Auditor)**

**For and on behalf of**

Kilsby & Williams LLP  
Chartered Accountants & statutory auditor  
Cedar House  
Hazell Drive  
Newport  
NP10 8FY

# APPLIED NUTRITIONAL RESEARCH LTD

## PROFIT AND LOSS ACCOUNT

Year ended 28 February 2023

	Note	2023 £	2022 £
<b>TURNOVER</b>	<b>4</b>	12,821,592	11,680,305
Cost of sales		<u>(7,741,206)</u>	<u>(6,443,221)</u>
<b>GROSS PROFIT</b>		5,080,386	5,237,084
Distribution costs		<u>(322,038)</u>	<u>(234,096)</u>
Administrative expenses		<u>(3,751,638)</u>	<u>(3,471,519)</u>
<b>OPERATING PROFIT</b>	<b>5</b>	1,006,710	1,531,469
Other interest receivable and similar income	<b>9</b>	373	265
Interest payable and similar expenses	<b>10</b>	<u>(112,369)</u>	<u>(60,468)</u>
<b>PROFIT BEFORE TAXATION</b>		894,714	1,471,266
Tax on profit	<b>11</b>	<u>(161,276)</u>	<u>(266,805)</u>
<b>PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME</b>		<u>733,438</u>	<u>1,204,461</u>
Dividends paid and payable	<b>12</b>	<u>(300,200)</u>	<u>(152,000)</u>
<b>RETAINED EARNINGS AT THE START OF THE YEAR</b>		5,937,454	4,884,993
<b>RETAINED EARNINGS AT THE END OF THE YEAR</b>		<u>6,370,692</u>	<u>5,937,454</u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 20 form part of these financial statements.

# APPLIED NUTRITIONAL RESEARCH LTD

## BALANCE SHEET

28 February 2023

	Note	2023 £	2022 £
<b>FIXED ASSETS</b>			
Tangible assets	13	1,123,678	1,341,031
<b>CURRENT ASSETS</b>			
Stocks	14	3,191,793	2,987,530
Debtors	15	1,860,494	1,518,188
Cash at bank and in hand		1,761,663	1,498,408
		6,813,950	6,004,126
<b>CREDITORS: amounts falling due within one year</b>	16	(1,387,392)	(1,198,271)
<b>NET CURRENT ASSETS</b>		5,426,558	4,805,855
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		6,550,236	6,146,886
<b>PROVISIONS</b>	17	(177,544)	(207,432)
<b>NET ASSETS</b>		6,372,692	5,939,454
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	1,900	1,900
Capital redemption reserve	21	100	100
Profit and loss account	21	6,370,692	5,937,454
<b>SHAREHOLDERS FUNDS</b>		6,372,692	5,939,454

These financial statements were approved by the board of directors and authorised for issue on ~~23<sup>rd</sup> NOV 23~~, and are signed on behalf of the board by:



Mr K A Burn  
Director

Company registration number: 06511740

The notes on pages 12 to 20 form part of these financial statements.

# APPLIED NUTRITIONAL RESEARCH LTD

## STATEMENT OF CASH FLOWS

Year ended 28 February 2023

	2023 £	2022 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the financial year	733,438	1,204,461
<i>Adjustments for:</i>		
Depreciation of tangible assets	363,267	405,909
Other interest receivable and similar income	(373)	(265)
Interest payable and similar expenses	112,369	60,468
Tax on profit	161,276	266,805
Accrued income	(87,852)	(8,284)
<i>Changes in:</i>		
Stocks	(204,263)	(1,073,580)
Trade and other debtors	(342,306)	174,879
Trade and other creditors	302,635	1,845
Cash generated from operations	1,038,191	1,032,238
Interest paid	(112,369)	(60,468)
Interest received	373	265
Tax paid	(216,826)	(154,909)
Net cash from operating activities	<u>709,369</u>	<u>817,126</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible assets	(145,914)	(283,835)
Net cash used in investing activities	<u>(145,914)</u>	<u>(283,835)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(300,200)	(152,000)
Net cash used in financing activities	<u>(300,200)</u>	<u>(152,000)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	263,255	381,291
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	1,498,408	1,117,117
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>1,761,663</u>	<u>1,498,408</u>

The notes on pages 12 to 20 form part of these financial statements.

# **APPLIED NUTRITIONAL RESEARCH LTD**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 28 February 2023**

### **1. GENERAL INFORMATION**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 8 Oakdale Court, Bryn Brithdir, Oakdale Business Park, Blackwood, NP12 4AD.

### **2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. ACCOUNTING POLICIES**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Judgements and key sources of estimation uncertainty**

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

#### ***Key sources of estimation uncertainty***

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The directors consider that there are no significant judgements or key sources of estimation uncertainty in the preparation of these financial statements.

#### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

#### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

# APPLIED NUTRITIONAL RESEARCH LTD

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 28 February 2023

### 3. ACCOUNTING POLICIES *(continued)*

#### **Taxation *(continued)***

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

#### **Tangible assets**

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

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

#### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 20% reducing balance
Fixtures and fittings	- 33% straight line
Equipment	- 33% straight line

#### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

# **APPLIED NUTRITIONAL RESEARCH LTD**

## **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**Year ended 28 February 2023**

### **3. ACCOUNTING POLICIES** *(continued)*

#### **Impairment of fixed assets** *(continued)*

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

#### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

#### **Provisions**

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

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

#### **Financial instruments**

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

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

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

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



# APPLIED NUTRITIONAL RESEARCH LTD

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 28 February 2023

### 3. ACCOUNTING POLICIES *(continued)*

#### Financial instruments *(continued)*

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

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### Defined contribution plans

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

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

### 4. TURNOVER

Turnover arises from:

	2023 £	2022 £
Sale of goods	12,821,592	11,680,305

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

### 5. OPERATING PROFIT

Operating profit or loss is stated after charging/crediting:

	2023 £	2022 £
Depreciation of tangible assets	363,267	405,909
Impairment of trade debtors	1	(10,541)
Foreign exchange differences	(31,596)	(11,368)

### 6. AUDITOR'S REMUNERATION

	2023 £	2022 £
Fees payable for the audit of the financial statements	15,000	18,150
Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	3,000	10,000
Other non-audit services	—	2,890
	3,000	12,890

# APPLIED NUTRITIONAL RESEARCH LTD

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 28 February 2023

### 7. STAFF COSTS

The average number of persons employed by the company during the year, including the directors, amounted to:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Production staff	74	76

The aggregate payroll costs incurred during the year, relating to the above, were:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,235,594	2,050,403
Social security costs	182,640	146,501
Other pension costs	73,813	72,259
	<u>2,492,047</u>	<u>2,269,163</u>

### 8. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services was:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Remuneration	414,043	413,146
Company contributions to defined contribution pension plans	26,225	26,057
	<u>440,268</u>	<u>439,203</u>

The number of directors who accrued benefits under company pension plans was as follows:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Defined contribution plans	5	5

Remuneration of the highest paid director in respect of qualifying services:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Aggregate remuneration	110,000	110,250
Company contributions to defined contribution pension plans	8,800	8,800
	<u>118,800</u>	<u>119,050</u>

### 9. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Interest on bank deposits	373	265

# APPLIED NUTRITIONAL RESEARCH LTD

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 28 February 2023

### 10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023 £	2022 £
Interest on banks loans and overdrafts	112,369	60,277
Other interest payable and similar charges	–	191
	<u>112,369</u>	<u>60,468</u>

### 11. TAX ON PROFIT

#### Major components of tax expense

	2023 £	2022 £
<b>Current tax:</b>		
UK current tax expense	191,164	216,635
Adjustments in respect of prior periods	–	8
Total current tax	<u>191,164</u>	<u>216,643</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(29,888)	50,162
<b>Tax on profit</b>	<u>161,276</u>	<u>266,805</u>

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK of 19% (2022: 19%).

	2023 £	2022 £
Profit on ordinary activities before taxation	894,714	1,471,266
Profit on ordinary activities by rate of tax	169,996	279,541
Effect of expenses not deductible for tax purposes	29	54,744
Effect of capital allowances and depreciation	(1,575)	–
Effect of revenue exempt from tax	–	(117,263)
Effect of different UK tax rates on some earnings	(7,174)	49,783
Tax on profit	<u>161,276</u>	<u>266,805</u>

### 12. DIVIDENDS

	2023 £	2022 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year )	<u>300,200</u>	<u>152,000</u>

# APPLIED NUTRITIONAL RESEARCH LTD

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 28 February 2023

### 13. TANGIBLE ASSETS

	Assets under construction £	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>					
At 1 March 2022	241,260	2,256,698	507,090	148,656	3,153,704
Additions	–	113,716	21,503	10,695	145,914
Transfers	(241,260)	220,769	20,491	–	–
<b>At 28 February 2023</b>	<u>–</u>	<u>2,591,183</u>	<u>549,084</u>	<u>159,351</u>	<u>3,299,618</u>
<b>Depreciation</b>					
At 1 March 2022	–	1,285,092	404,462	123,119	1,812,673
Charge for the year	–	249,044	96,602	17,621	363,267
<b>At 28 February 2023</b>	<u>–</u>	<u>1,534,136</u>	<u>501,064</u>	<u>140,740</u>	<u>2,175,940</u>
<b>Carrying amount</b>					
<b>At 28 February 2023</b>	<u>–</u>	<u>1,057,047</u>	<u>48,020</u>	<u>18,611</u>	<u>1,123,678</u>
At 28 February 2022	<u>241,260</u>	<u>971,606</u>	<u>102,628</u>	<u>25,537</u>	<u>1,341,031</u>

### 14. STOCKS

	2023 £	2022 £
Stock	<u>3,191,793</u>	<u>2,987,530</u>

### 15. DEBTORS

	2023 £	2022 £
Trade debtors	1,725,505	1,395,286
Prepayments and accrued income	50,254	26,462
Other debtors	84,735	96,440
	<u>1,860,494</u>	<u>1,518,188</u>

### 16. CREDITORS: amounts falling due within one year

	2023 £	2022 £
Trade creditors	1,040,363	739,120
Accruals and deferred income	68,219	156,071
Corporation tax	191,164	216,826
Social security and other taxes	43,769	41,667
Other creditors	43,877	44,587
	<u>1,387,392</u>	<u>1,198,271</u>

# APPLIED NUTRITIONAL RESEARCH LTD

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 28 February 2023

### 17. PROVISIONS

	Deferred tax (note 18) £
At 1 March 2022	207,432
Charge against provision	(29,888)
<b>At 28 February 2023</b>	<b><u>177,544</u></b>

### 18. DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	2023 £	2022 £
Included in provisions (note 17)	<u>177,544</u>	<u>207,432</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2023 £	2022 £
Accelerated capital allowances	181,645	211,517
Provisions	(4,101)	(4,085)
	<u>177,544</u>	<u>207,432</u>

### 19. EMPLOYEE BENEFITS

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £73,813 (2022: £72,259).

### 20. CALLED UP SHARE CAPITAL

#### Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,900</u>	<u>1,900</u>	<u>1,900</u>	<u>1,900</u>

### 21. RESERVES

The profit and loss account records retained earnings and accumulated losses.

The Capital Redemption Reserve represents a transfer made to reserves following the part purchase of the company's own shares.

# APPLIED NUTRITIONAL RESEARCH LTD

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 28 February 2023

### 22. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Mar 2022	Cash flows	At 28 Feb 2023
	£	£	£
Cash at bank and in hand	<u>1,498,408</u>	<u>263,255</u>	<u>1,761,663</u>