

**THE FOOD COMPANY (UK) LTD**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	4	50,263	75,559
Tangible assets	5	2,163,399	1,622,651
		<u>2,213,662</u>	<u>1,698,210</u>
<b>Current assets</b>			
Stocks		243,467	113,985
Debtors: amounts falling due within one year	6	1,351,126	506,662
Cash at bank and in hand	7	41,032	230,390
		<u>1,635,625</u>	<u>851,037</u>
Creditors: amounts falling due within one year	8	(2,010,456)	(787,365)
<b>Net current (liabilities)/assets</b>		<u>(374,831)</u>	<u>63,672</u>
<b>Total assets less current liabilities</b>		<u>1,838,831</u>	<u>1,761,882</u>
Creditors: amounts falling due after more than one year	9	(958,758)	(1,303,902)
<b>Provisions for liabilities</b>			
Deferred tax		(314,480)	(191,668)
		<u>(314,480)</u>	<u>(191,668)</u>
<b>Net assets</b>		<u><u>565,593</u></u>	<u><u>266,312</u></u>
<b>Capital and reserves</b>			
Called up share capital		10	10
Profit and loss account		565,583	266,302
		<u><u>565,593</u></u>	<u><u>266,312</u></u>

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

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The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 February 2022.

**J E Gunns**  
Director

The notes on pages 3 to 10 form part of these financial statements.

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

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**1. General information**

The Food Company (UK) Ltd is a private company, limited by shares, domiciled and registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

**2.2 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2.3 Leased assets: the Company as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.4 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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**2. Accounting policies (continued)**

**2.5 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.6 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.7 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.8 Current and deferred taxation**

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

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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.9 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

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

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**2. Accounting policies (continued)**

**2.10 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	- 33% on cost, 25% on reducing balance, 20% on cost and 6.67% on cost
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.11 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is 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.

**2.12 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.13 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.14 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.15 Financial instruments**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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**2. Accounting policies (continued)**

**2.15 Financial instruments (continued)**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

**3. Employees**

The average monthly number of employees, including directors, during the year was 82 (2020 - 47).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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4. Intangible assets

	Trademarks £
<b>Cost</b>	
At 1 January 2021	126,480
At 31 December 2021	<u>126,480</u>
<b>Amortisation</b>	
At 1 January 2021	50,921
Charge for the year on owned assets	25,296
At 31 December 2021	<u>76,217</u>
<b>Net book value</b>	
At 31 December 2021	<u>50,263</u>
<b>At 31 December 2020</b>	<u>75,559</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

5. Tangible fixed assets

	Short-term leasehold property £	Plant and machinery £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2021	234,627	1,837,120	61,683	2,133,430
Additions	33,033	683,117	2,673	718,823
At 31 December 2021	267,660	2,520,237	64,356	2,852,253
<b>Depreciation</b>				
At 1 January 2021	91,776	392,027	26,976	510,779
Charge for the year on owned assets	46,925	122,474	8,676	178,075
At 31 December 2021	138,701	514,501	35,652	688,854
<b>Net book value</b>				
At 31 December 2021	128,959	2,005,736	28,704	2,163,399
<b>At 31 December 2020</b>	<u>142,851</u>	<u>1,445,093</u>	<u>34,707</u>	<u>1,622,651</u>

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Short leasehold	<u>128,959</u>	<u>142,851</u>

6. Debtors

	2021 £	2020 £
Trade debtors	925,692	274,345
Other debtors	425,434	232,317
	<u>1,351,126</u>	<u>506,662</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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7. Cash and cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	<u>41,032</u>	<u>230,390</u>

8. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Hire purchase contracts	366,270	234,037
Trade creditors	485,101	130,273
Taxation and social security	181,106	126,696
Invoice discounting advance	-	244,220
Other creditors	977,979	52,139
	<u>2,010,456</u>	<u>787,365</u>

9. Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Bank loans	569,739	646,907
Net obligations under finance leases and hire purchase contracts	389,019	423,734
Other creditors	<u>-</u>	<u>233,261</u>

10. Other financial commitments

The total amount of commitments, guarantees and contingencies is £68,750 (2020: £143,750).

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

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**11. Related party transactions**

In the Statement of Financial Position, there is a balance owing to the company from J E Gunns, a Director of the company for £68,319 (2020: £62,471).

In the Statement of Financial Position, there is a balance owing to the company from Hill House Real Estate Limited, a company in which J E Gunns and A C Gunns are Directors and have ultimate control. The balance is for £33,438 (2020: £24,870).

In the Statement of Financial Position, there is a balance owing to the company from Hill House Partnership Limited, a company in which J E Gunns and A C Gunns are Directors and have ultimate control. The balance is for £257,749 (2020: £118,749).

In the Statement of Financial Position, there is a balance owing to the company from Hill House Commercial Property Limited, a company in which J E Gunns and A C Gunns are Directors and have ultimate control. The balance is for £3,217 (2020: £Nil).

**12. Government Grants**

During the year, the company was in receipt of Government Grants. All grants have been accounted for under the accrual model policy.

Within the financial year, the company was in receipt of three separate Government grants being CJRS and CBILS. All amounts have been recognised as other operating income with the statement of comprehensive income.

In April 2020 the Company received £220,000 through the Coronavirus Business Interruption Loan Scheme (CBILS). The loan is interest bearing at 4% above base rate, and repayable 24 months after inception of the loan. The interest charged in the first year is paid by the government and the corresponding charge of £9,020 has been recognised in government grant income and interest expenses in the Statement of Comprehensive Income for the financial year.

In April 2020, the Company received £50,000 through the Coronavirus Business Interruption Loan Scheme (CBILS). The loan is interest bearing at 5% above base rate, and repayable 60 months after inception of the loan. The interest charged in the first year is paid by the government and the corresponding charge of £3,935 has been recognised in government grant income and interest expenses in the Statement of Comprehensive Income for the financial year.

In December 2020, the Company received £250,000 through the Coronavirus Business Interruption Loan Scheme (CBILS). The loan is interest bearing at 5% above base rate, and repayable 48 months after inception of the loan.

The company is not aware of any unfulfilled conditions or contingencies attached to the grants that have

been recognised as income.

Other than the grants disclosed, the company has not directly benefited from any other government assistance.

**13. Controlling party**

The company is controlled jointly by Mr J E Gunns and Mrs A C Gunns



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