

COMPANY REGISTRATION NUMBER: 03074551

Freshways Limited
Filleted Unaudited Financial Statements
1st January 2022

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COMPANIES HOUSE

JAVED & CO
Accountants
109 Hagley Road
Birmingham
B16 8LA

Freshways Limited
Statement of Financial Position
1st January 2022

	Note	1 Jan 22 £	2 Jan 21 £
Fixed assets			
Intangible assets	6	25,932	74,128
Tangible assets	7	71,100	147,225
		<u>97,032</u>	<u>221,353</u>
Current assets			
Stocks		20,232	19,541
Debtors	8	359,149	21,910
		<u>379,381</u>	<u>41,451</u>
Creditors: amounts falling due within one year	9	<u>1,735,756</u>	<u>2,156,705</u>
Net current liabilities		<u>1,356,375</u>	<u>2,115,254</u>
Total assets less current liabilities		<u>(1,259,343)</u>	<u>(1,893,901)</u>
Provisions			
Taxation including deferred tax		134,461	—
Net liabilities		<u>(1,124,882)</u>	<u>(1,893,901)</u>

The statement of financial position
continues on the following page.
The notes on pages 3 to 13 form part of these financial statements.

Freshways Limited
Statement of Financial Position *(continued)*
1st January 2022

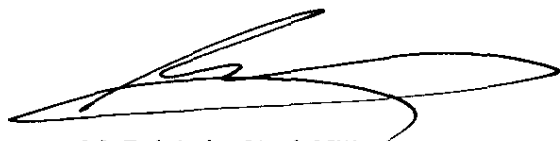
	Note	1 Jan 22 £	2 Jan 21 £
Capital and reserves			
Called up share capital	11	4	4
Profit and loss account		(1,124,886)	(1,893,905)
Shareholders deficit		<u>(1,124,882)</u>	<u>(1,893,901)</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the period ending 01/01/2022, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect due to accounting records and the preparation of accounts.

These financial statements were approved by the board of directors and authorised for issue on 29 September 2022 and are signed on behalf of the board by:



Mr Balvinder Singh Nijjar
Director

Company registration number: 03074551

The notes on pages 3 to 13 form part of these financial statements.

Freshways Limited
Notes to the Financial Statements
Period Ended 1st January 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 16 Eastman Road, Acton, London, W3 7YG.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102 section 1A for small companies. The Financial Reporting Standard applicable in the UK and the Republic of Ireland.

3. Significant accounting policies

Basis of preparation

Freshways Limited is a company limited by shares incorporated in England within the United Kingdom. The registered office address is given in the company information on page 1 of these financial statements. The principal activity of the company during the period was distribution of milk and other products

The financial statements have been prepared on the historical cost basis.

The financial statements have been prepared on a going concern basis which assume that the company will continue to trade for the foreseeable future. The directors believe that this basis is appropriate as the holding company has given a pledge of financial support to the company and modified to include the goodwill on hive up of business without consideration following group reorganisation.

The directors expect the company will improve its trading results in the future and therefore have prepared the accounts on a going concern basis.

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

The 'Nijjar Group' consisting of Nijjar Dairies Limited (NDL), RSN Property Limited (RSN), Freshways Limited (FWL), Nijjar Property Limited (NPL), Nijjar Holdings Limited (NHL) and Chequers Transport (Bedford) Ltd (CTL) have a bank facility with unlimited cross group guarantees in favour of the bank.

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

Freshways Limited

Notes to the Financial Statements *(continued)*

Period Ended 1st January 2022

3. Significant accounting policies *(continued)*

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Going concern

The directors have adopted the going concern basis in preparing these accounts after assessing the principal risks but there can be no certainty in the matter. The Directors have considered the impact of the current environment factors on the business for the next 12 months. The planning was difficult in the current climate so the directors have considered the impact of inflation and general economic conditions on business sales, customers and suppliers. The directors of the company took various measures and carried out a comprehensive review of all costs impacting the business making cost reductions in areas. The directors believe that the group will remain profitable over the next 12 months and would anticipate a recovery in the following years. The company is already making net profit for last few periods.

The balance sheet shows the company had net current liabilities of £1,356,375 at period end. The company is a subsidiary of Nijjar Holdings Ltd (NHL) and is reliant on the continuing financial support of the group companies that are NHL and Nijjar Dairies Ltd (NDL), headed by Nijjar Group Holdings (Acton) Ltd, the ultimate holding company of the group. The company is also relying on continuing financial support from the bank with regards to their overdraft position. The directors have prepared forecasts and projections with the above factors taken into consideration and concluded that the group will have sufficient resources to meet its financial obligations as they fall due for the period at least 12 months from the signing of these financial statements. Also, a letter of support from an associate company has been given for continued financial support to the company for the next 12 months. A letter of support from RSN Property Ltd has been obtained, although it has left the group in June 2022, for continued financial support to the company for the next 12 months, due to its intercompany creditor balance in Freshways Ltd.

Freshways Limited

Notes to the Financial Statements *(continued)*

Period Ended 1st January 2022

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Nijjar Group Holdings (Acton) Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) No disclosure has been given for the aggregate remuneration of key management personnel.

Judgements and key sources of estimation uncertainty

The judgements made by management during the current period are based on a long-term understanding of the market they operate in and based on how the business has been conducted historically.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows

Sale of goods

Turnover from the sale of goods is recognised at the point of dispatch.

Freshways Limited

Notes to the Financial Statements *(continued)*

Period Ended 1st January 2022

3. Significant accounting policies *(continued)*

Taxation

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a reducing balance basis over its useful life, with a maximum life of ten years. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Hive up Goodwill is calculated at the difference between the consideration and identifiable net assets. Hive up Goodwill is amortised on 20% straight line basis.

Freshways Limited

Notes to the Financial Statements *(continued)*

Period Ended 1st January 2022

3. Significant accounting policies *(continued)*

Amortisation

Goodwill - Straight line over 10 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

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 & Machinery	- 15% reducing balance
Fixture & Fittings	- 15% reducing balance
Motor Vehicles	- 25% reducing balance & 20% Straight Line for assets acquired from 2016.
Computer Equipment & Software	- Straight line over 3 years

Motor vehicles are depreciated over 5 years in straight line basis from the start of 2016.

Freshways Limited

Notes to the Financial Statements *(continued)*

Period Ended 1st January 2022

3. Significant accounting policies *(continued)*

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.

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.

Provision is made for any impairment in the value of the fixed assets.

Stocks

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

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 statement of financial position 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.

Freshways Limited

Notes to the Financial Statements *(continued)*

Period Ended 1st January 2022

3. Significant accounting policies *(continued)*

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. Particulars of employees

The average number of persons employed by the company during the period amounted to 41 (2021: 45).

5. Taxation on ordinary activities

Major components of tax income

	Period from 3 Jan 21 to 29 Dec 19 to 1 Jan 22 £	Period from 2 Jan 21 £
Deferred tax:		
Origination and reversal of timing differences	(134,461)	---
Taxation on ordinary activities	<u>(134,461)</u>	<u>---</u>

Freshways Limited

Notes to the Financial Statements (continued)

Period Ended 1st January 2022

5. Taxation on ordinary activities (continued)

Reconciliation of tax income

The tax assessed on the profit on ordinary activities for the period is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	Period from 3 Jan 21 to 29 Dec 19 to 1 Jan 22	Period from 2 Jan 21
	£	£
Profit on ordinary activities before taxation	634,558	382,079
Profit on ordinary activities by rate of tax	120,566	72,595
Effect of expenses not deductible for tax purposes	285	3,075
Effect of capital allowances and depreciation	14,796	19,231
Utilisation of tax losses	(135,647)	(94,901)
Deferred tax movement	(134,461)	—
Tax on profit	(134,461)	—

6. Intangible assets

	Goodwill £
Cost	
At 3rd January 2021 and 1st January 2022	1,310,922
Amortisation	
At 3rd January 2021	1,236,794
Charge for the period	48,196
At 1st January 2022	1,284,990
Carrying amount	
At 1st January 2022	25,932
At 2nd January 2021	74,128

Freshways Limited

Notes to the Financial Statements (continued)

Period Ended 1st January 2022

7. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment & software £	Total £
Cost					
At 3rd January 2021 and 1st January 2022	<u>13,200</u>	<u>59,269</u>	<u>593,853</u>	<u>109,875</u>	<u>776,197</u>
Depreciation					
At 3rd January 2021	2,925	50,717	465,455	109,875	628,972
Charge for the period	<u>1,542</u>	<u>1,283</u>	<u>73,300</u>	<u>-</u>	<u>76,125</u>
At 1st January 2022	<u>4,467</u>	<u>52,000</u>	<u>538,755</u>	<u>109,875</u>	<u>705,097</u>
Carrying amount					
At 1st January 2022	<u>8,733</u>	<u>7,269</u>	<u>55,098</u>	<u>-</u>	<u>71,100</u>
At 2nd January 2021	<u>10,275</u>	<u>8,552</u>	<u>128,398</u>	<u>-</u>	<u>147,225</u>

8. Debtors

	1 Jan 22 £	2 Jan 21 £
Amounts owed by group undertakings	331,650	-
Prepayments	5,913	9,710
Other debtors	<u>21,586</u>	<u>12,200</u>
	<u>359,149</u>	<u>21,910</u>

9. Creditors: amounts falling due within one year

	1 Jan 22 £	2 Jan 21 £
Bank loans and overdrafts	28,807	1,230,685
Trade creditors	419,560	314,937
Amounts owed to group undertakings	1,090,623	368,833
Social security and other taxes	22,283	132,049
Directors' loan a/c	-	634
Accruals	172,527	94,731
Other creditors	<u>1,956</u>	<u>14,836</u>
	<u>1,735,756</u>	<u>2,156,705</u>

Freshways Limited

Notes to the Financial Statements *(continued)*

Period Ended 1st January 2022

9. Creditors: amounts falling due within one year *(continued)*

Bank overdrafts are secured by a debenture over all current and future assets of the company and also by a cross group bank guarantee as details shown in note 3.

10. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	1 Jan 22	2 Jan 21
	£	£
Included in provisions	<u>(134,461)</u>	<u>-</u>

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

	1 Jan 22	2 Jan 21
	£	£
Accelerated capital allowances	<u>(134,461)</u>	<u>-</u>

11. Called up share capital

Authorised share capital

	1 Jan 22		2 Jan 21	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Issued, called up and fully paid

	1 Jan 22		2 Jan 21	
	No.	£	No.	£
Ordinary shares of £1 each	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

12. Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	1 Jan 22	2 Jan 21
	£	£
Not later than 1 year	27,100	26,000
Later than 1 year and not later than 5 years	<u>-</u>	<u>24,700</u>
	<u>27,100</u>	<u>50,700</u>

13. Directors' advances, credits and guarantees

The Directors loan account was not overdrawn during the current year.

Freshways Limited

Notes to the Financial Statements *(continued)*

Period Ended 1st January 2022

14. Related party transactions

Exemption has been taken in respect of related party disclosure of group transactions on the grounds that details of the wholly owned subsidiaries are included in the publicly available consolidated accounts.

15. Controlling party

The directors were the key management personnel during the period.

16. Ultimate parent company

Nijjar Group Holdings (Acton) Limited (a company incorporated in England & Wales) with the same registered office is the ultimate parent undertaking of FWL. Copies of the group financial statements can be obtained from the Companies House website.

17. Accounting period

Due to nature of the business, the business is conducted on a weekly basis. The accounts for Freshways Ltd (FWL) have been prepared to the closest Saturday to 31st December which is 1st January 2022 for the current period. The previous period accounts were prepared up until 2nd January 2021.

18. Liability limitation agreement

The company entered into a liability limitation agreement on 1st October 2020. The agreement states that an amount will be owed by the auditor to the company in respect of any negligence, default, breach of duty or breach of trust, occurring in the course of the audit of accounts, of which the auditor may be guilty in relation to the company up to the limit of £350,000. However, no audit was required by the company shareholders during the current period.

19. Post balance sheet

Merger negotiations are being conducted between Nijjar Group's milk processing and distributing companies (including NDL) and Medina Holdings Ltd and its subsidiaries for the new group structure and shareholding. The merger between the two groups was approved by the Competition and Markets Authority (CMA) in March 2022. However, there are still ongoing merger negotiations on the new group structure and timing.

RSN Property Ltd, a fellow sister company, left the group in June 2022.