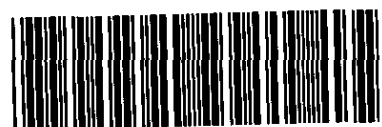


**BOPARAN HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**  
**COMPANY REGISTRATION NO.03558065**

SATURDAY



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## **BOPARAN HOLDINGS LIMITED**

### **COMPANY INFORMATION**

#### **DIRECTORS**

R S Boparan (President)  
B K Boparan (Executive Director)  
C A Tomkinson (Group Chief Financial Officer)  
R J Pennycook (Executive Chairman)  
I A Ellis (Non-executive Director)  
D S J T Gregory (Non-executive Director)  
R K O Kers (Resigned 26 May 2023, previously Group Chief Executive Officer)

#### **COMPANY SECRETARY**

L Greenbury

#### **REGISTERED OFFICE**

Trinity Park House, Trinity Business Park, Fox Way, Wakefield, West Yorkshire, WF2 8EE

#### **BANKERS**

Barclays Bank plc, 1 Churchill Place, Canary Wharf, London, E14 5HP  
HSBC UK Bank PLC, 4th Floor, City Point, 29 King Street, Leeds, West Yorkshire, LS1 2HL  
Goldman Sachs International Bank, Plumtree Court, 25 Shoe Lane, London, EC4A 4AU  
National Westminster Bank Plc, 250 Bishopsgate, London, EC2M 4AA

#### **INDEPENDENT AUDITOR**

Deloitte LLP, Statutory Auditor, 1 City Square, Leeds, LS1 2AL

## **BOPARAN HOLDINGS LIMITED**

### **CONTENTS**

COMPANY INFORMATION .....	2
AT A GLANCE .....	4
STRATEGIC REPORT .....	5
Executive Chairman Review .....	5
STRATEGIC REPORT .....	6
CFO Review.....	7
Key Performance Indicators (KPIs) .....	12
Strategic Management.....	13
Risk Management.....	14
Our Stakeholders (Section 172 Statement).....	17
GOVERNANCE REPORT .....	22
SUSTAINABILITY REPORT .....	24
Our Sustainability Strategy.....	24
Climate-Related Financial Disclosures (CFD).....	28
DIRECTORS REPORT.....	35
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOPORAN HOLDINGS LIMITED .....	38
FINANCIAL STATEMENTS.....	41

**BOPARAN HOLDINGS LIMITED**  
**AT A GLANCE**

**PURPOSE**

***“To contribute to a better world by feeding people sustainably produced, great tasting, healthy chicken and meal solutions, now and in the future.”***

**WHAT WE DO**

Since being founded in 1993, the Group has grown organically and through targeted acquisitions to become a leading food manufacturer in the UK and Europe. Following a number of strategic disposals in recent years the Group is now focused on the core operations of poultry (UK and Europe) and meals production (UK). Our UK Poultry operation produces primary and added value products which are marketed and sold to consumers primarily via major retailers and foodservice manufacturers. The European Poultry operation produces fresh and frozen poultry and supplies to industry, food service, manufacturers and retailers. Lastly, our Meals & Bakery division produces a range of products including hot cross buns, ready meals, pizza, soups and sauces, which retail under own label brands.

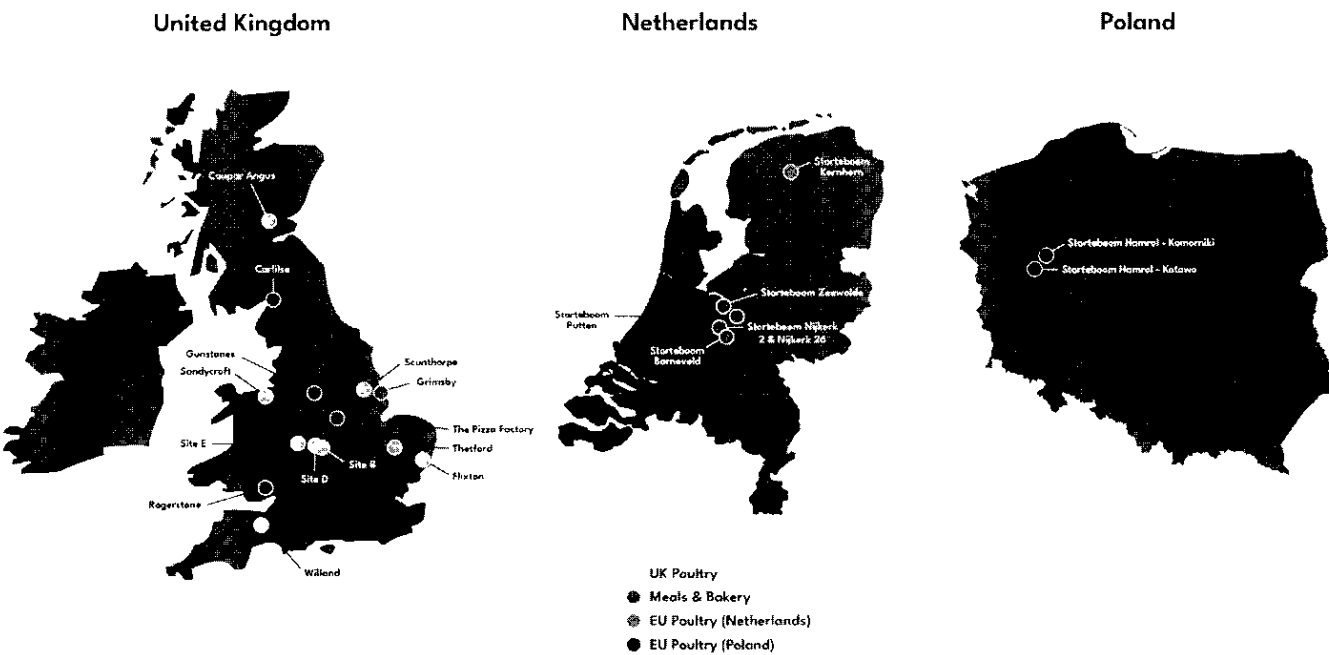
Between our UK and European operations, we employ around 15,000 colleagues from over 36 nationalities, and each contribute to the success of our business. We have experienced and talented operational management teams supported by a highly skilled and committed workforce. We aim to continue developing our employees and having the right people, in the right place.

We know our expertise is in processing, so we work with experts in other fields to ensure that our supply chain is as effective and efficient as possible. This allows us to produce the highest quality at lowest cost. We work with the best in hatching, farming, animal husbandry and transport, so we can focus on what we do best. Our agricultural partners apply best practice in terms of animal welfare and food safety and cover a wide range of production systems ranging from farm assured through to free range, better chicken commitment (BCC), freedom food, corn fed and organic.

As one of the UK’s leading food manufacturers, we have both an opportunity and a responsibility to forge a healthier future for our planet and everyone on it. Our sustainability strategy, known as ‘Better For All’, encompasses everything we touch, from the products we make to the ingredients we source and the communities we operate in. The plan highlights our commitment to a more sustainable food system, guiding our work to 2030 and sets out our ambitions to make more nutritious and sustainable food, contribute to a healthier planet and nourish the lives of our colleagues and communities.

**WHERE WE OPERATE**

We operate 15 manufacturing sites across the UK and a further 8 sites in the Netherlands and Poland.



## **BOPARAN HOLDINGS LIMITED**

### **STRATEGIC REPORT**

#### **Executive Chairman Review**

*"Over the past three years the Group has been impacted by a series of systemic events, starting with COVID, Brexit, the escalation of war in Ukraine and in the most recent year, the rise in inflation and cost-of-living crisis. I am incredibly proud of how the entire team has responded to the many challenges and our ability to handle all these headwinds. Similar to the rest of the industry, at times that has been extremely tough, but it has shown the resilience of the Group and it gives us confidence as a Board that we can handle pretty much whatever comes our way.*

*We're looking at a lot of opportunity in the business, now that it's right sized, to think about investment for the future, capacity for growth, and most importantly driving forward our new sustainability strategy 'Better For All'. If we enjoy a period of stability with less volatility, then we can see many opportunities ahead and we're poised to take advantage of those. But of course, we also have to reflect on our resilience if we get hit by any other obstacles and our track record over the last three years gives us that confidence. So, the Board views the future as one of opportunity to make further meaningful progress in delivering our strategic objectives but also one where we are ready if there are continued bumps in the road."*

**Richard Pennycook, Executive Chairman**

This report covers the 52 weeks ending 29 July 2023 (FY23).

As part of our commitments under our 'Better For All' strategy we have updated the reporting format of these financial statements as one of the steps to help drive more transparent reporting with our stakeholders.

#### **EXTERNAL CLIMATE**

Like many manufacturers and retailers operating in the current geopolitical environment, we have continued to manage the supply chain disruption seen over the past year. Thanks to effective processes, and the hard work of our teams, our business remains resilient in the face of this. We have continued to see significant levels of input cost inflation across our entire supply chain which we have mitigated as far as practicable through our customer ratchet models and other cost saving initiatives. By working collaboratively, with both our retail partners and our broad supplier base, we have sought to minimise the price increases we have passed onto our customers.

#### **FINANCIAL HIGHLIGHTS**

Whilst the financial performance was disappointing, the results were impacted by significant headwinds during the year, not least unprecedented levels of inflation and the cost-of-living crisis in the UK, record season for Avian Flu, key customer transition in our UK business creating issues in balancing supply and demand and disruption in our European business following the lifting of EU quotas allowing unrestricted imports from Ukraine.

Overall, turnover grew by 10.1% to £3,033.9m (2022: £2,755.5m) reflecting the recovery of widespread cost inflation. Adjusted EBIT margin was consistent with the prior year at 1.6%, reflecting a strong second half performance as the group adjusted to the impacts of a key customer transition in our UK poultry business during the first half of the year, followed by the closure of the Llangefni site. This momentum has continued through into the start of the new financial year as inflation recovery, stability and operational improvements are leading to a stable and sustainable profitability level for the Group.

During the year, we have continued to focus on cash, delivering operating cash of £54.3m (2022: £49.4m), after investing nearly £40 million across our asset base. Throughout the year we have continued to press on with our automation plans, focusing on those projects that will improve our labour utilisation and throughput efficiencies, with the first signs of benefits coming through within the year. We expect our capital investments in next financial year (FY24) to increase, particularly in the areas of automation and targeted investment in upgrading our infrastructure under our 'Better For All' strategy.

#### **OUR PEOPLE**

With nearly 15,000 colleagues who are critical to the success of our business, it's important that we focus our efforts on retaining and strengthening our existing workforce, whilst also attracting new talent.

We continue to run a successful graduate programme and have recruited a further six new graduates this year. Equally now that the scheme has been in place for a number of years, pleasingly we are starting to see graduates come up through and into leadership positions within the Group.

# **BOPARAN HOLDINGS LIMITED**

## **STRATEGIC REPORT**

### **Executive Chairman Review continued**

#### **OUR PEOPLE CONTINUED**

In the UK this year, we have also launched a new learning and development programme, in which we have mapped out our current talent pool, built out succession plans and identified the training needs of our people. In conjunction with this we have launched a new range of in-house training courses to help support our people's development.

The Group also successfully launched its new employee app during the year, a communication tool specifically designed to reach all employees and keep them up to date with what is going on around Group. The application enables us to communicate more effectively with colleagues of different nationalities through its dedicated translation feature.

#### **STRATEGIC PROGRESS**

We have made further strategic progress this year, through consolidating, divesting and diversifying the business, and in doing so are one step closer to delivering our long term, sustainable growth strategy.

During the year we continued to consolidate our footprint within the UK Poultry business through the closure of the Llangefni site which was surplus to requirements. Our investments in capacity and automation in the estate meant we were able to absorb all retail sales into other factories. The net effect of this was twofold. Firstly, we have the structural benefit of a lower fixed cost per bird processed. Secondly, by tightening supply, the Group is in a better supply demand balance.

During the year the Group completed the sale of our frozen pies and pastry businesses, Hollands and Portumna, to the Boparan Private Office, with total proceeds of £21.6m, before associated transaction costs. This further brings the Group closer to its core portfolio of businesses and allows further simplification within the back-office functions. We continue to explore the disposal of other non-core businesses, but we will only dispose of these businesses when the time is right, and we are confident of realising the best value. In the meantime, we will continue to improve the efficiency of all our businesses.

Diversification includes both moving into new customers and expanding our product range with our existing customers. In our Meals & Bakery division this year we have onboarded new business across our ready meals, pizza, soup and bakery businesses thus helping to diversify our customer mix. Equally, the Meals & Bakery division have continued market leading product innovation to tailor and expand their product offering.

This year, also saw us launch our 'Better For All' sustainability strategy covering material aspects of sustainable development and encompasses everything we touch, from the ingredients we source, to the communities we serve. The strategy aims to address the key sustainability issues facing us as a food producer and sets out the scope of work for the next decade and our Net Zero ambition before 2040. Further details can be found in the sustainability section on pages 24 to 27.

#### **GOVERNANCE AND THE BOARD**

During the financial year, the Group announced that Ronald Kers was stepping down as Group Chief Executive Officer after five years with the Group. The departure of Ronald enabled the Board to consider what the right future leadership structure is. With our Poultry and Meals businesses core to the Group's operations and the strength and depth of leadership in these businesses, together with the resizing of the Group, we felt a different leadership structure was appropriate. With that in mind, I am taking a more day to day role in steering the Group as Executive Chairman, supported by Craig Tomkinson in his expanded role of overseeing all Group Functions and Corporate projects. The Board are confident that this new structure provides the Group with the appropriate people in key positions.

#### **OUTLOOK**

We have made a positive start to the new financial year in what continues to be an unpredictable trading environment. Our core UK market remains resilient as our customers and the UK consumer continue to recognise the quality and value of our products. Looking forward, we have a clear growth strategy, and a management team focused on delivering strong results, which alongside our long-standing customer base and breadth and quality of products should enable us to capitalise on the wide range of opportunities we see ahead.

**R J Pennycook**  
**Executive Chairman**

# BOPARAN HOLDINGS LIMITED

## STRATEGIC REPORT

### CFO Review

This report covers FY23, the financial year for the 52 weeks ending 29 July 2023.

FY23 presented yet another year of remarkable challenging macro conditions for our business;

- Unprecedented inflation fuelling a wider cost-of-living crisis.
- Volatility in the product level demand for food.
- A record season for avian flu.
- War in Ukraine causing commodity pricing volatility.

In the face of these challenges, the Group delivered an operating profit before exceptional cost margin of 1.4% which is in line with the prior year. Whilst this is not where we need operational margins to be in the long term, it's relatively robust performance in the face of the macro conditions.

The Group uses Alternative Performance Measures ('APMs') in addition to FRS 102 measurements to monitor the performance of its operations and of the Group as a whole. These APMs along with their definitions and reconciliations are provided in note 35.

#### PROFIT AND LOSS

£m	29 July 2023	30 July 2022
Turnover	3,033.9	2,755.5
<b>Operating profit before exceptionals</b>	<b>43.8</b>	37.8
Exceptional items	(8.6)	(3.0)
<b>Operating profit</b>	<b>35.2</b>	34.8
Loss on disposal of operations	(1.4)	(20.5)
JVs and Associates	0.5	1.1
Net finance charge	(62.3)	(48.8)
<b>Loss before tax</b>	<b>(28.0)</b>	(33.4)
Taxation	(9.5)	0.1
<b>Loss after tax</b>	<b>(37.5)</b>	(33.3)

Turnover increased by 10.1% to £3,033.9m (2022; £2,755.5m). Turnover growth in FY23 was driven by underlying price increases due to inflation.

Operating profit before exceptional items grew by £6.0m to £43.8m (2022: £37.8m). There was a substantial increase in inflation in the Group's main cost components during the year, which led to a double-digit rate of inflation for the period. This inflation was recovered through pricing and operating efficiency initiatives. The largest components of inflation were feed prices, utilities, labour and packaging. Feed price and ingredient inflation is recovered through pricing pass through mechanisms, where inflation on other cost lines is passed through via adhoc agreements with customers when required. Despite which, performance was stronger this year, as the prior year was significantly impacted by the effect of serious labour shortages in our UK Poultry business.

Performance improved in the second half of the year, as the Group was able to adjust its supply chain to fit the customers changing demand patterns in response to the cost-of-living crisis.

Exceptional costs of £8.6m (2022: £3.0m) principally comprise costs associated with the closure of the Llangefni site of £11.4m, partly offset by the remeasurement of an onerous lease provision following successful negotiations with the landlord.

Finance costs were £13.5m higher than last year at £62.3m (2022: £48.8m) driven by the effect of higher interest rates on the group floating rate debt (revolving credit facility and receivables finance platform). The year-on-year finance cost is also influenced by the full year effect of new financing taken out part way through last year.

The profit and loss taxation charge for the year of £9.5m (2022: £0.1m credit) comprises of a current tax charge of £2.6m (2022: £7.0m) on the operating activities of our European businesses. In addition, our UK operations reflected a £0.4m current tax credit (2022: £0.6m charge) in relation to prior years and a £7.3m deferred tax charge (2022: £7.7m credit) which relates to deferred tax assets which arose in the period but were not recognised.

## BOPARAN HOLDINGS LIMITED

### STRATEGIC REPORT

#### CFO Review continued

#### PROFIT AND LOSS CONTINUED

In addition, a deferred tax credit of £25.6m (2022: £17.2m charge) has been recognised in the statement of comprehensive income in relation to the movement on the net defined benefit pension scheme. Overall, a net deferred tax credit of £18.3m (2022: £9.5m charge) has been recognised in the year reflecting the improved forecasted profitability of the group.

#### SEGMENTAL PERFORMANCE

Segmental performance is measured by reference to Turnover and Adjusted EBIT.

	<b>POULTRY</b>		<b>MEALS &amp; BAKERY</b>		<b>GROUP</b>	
	<b>29 July</b>	<b>30 July</b>	<b>29 July</b>	<b>30 July</b>	<b>29 July</b>	<b>30 July</b>
£m	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Turnover	<b>2,443.9</b>	2,189.3	<b>590.0</b>	566.2	<b>3,033.9</b>	2,755.5
Adjusted EBIT	<b>35.9</b>	23.8	<b>13.3</b>	19.0	<b>49.2</b>	42.8
Adjusted EBIT %	<b>1.5%</b>	1.1%	<b>2.3%</b>	3.4%	<b>1.6%</b>	1.6%

#### Poultry

Turnover in the poultry segment grew by £254.6m, an increase of 11.6%. This growth is driven by the effect of price inflation in the UK, and an increased proportion of higher welfare poultry sales in Europe. Meanwhile, adjusted EBIT margin increased to 1.5% (2022: 1.1%). This increase is driven by adverse impacts in the prior year as a result of labour shortages which have not repeated.

The UK Poultry business continued to see volatility in performance during the year due to both operational challenges and the effect of unprecedented retail inflation on consumer demand, as customers switch between products and retailers to balance household budgets. Cost inflation continued to be proactively managed and mitigated throughout the year through ongoing recovery and tight cost control, albeit the rate of inflation is now starting to slow.

Performance in the first half of the year was impacted by disruption to our agricultural operations due to the extreme heat during July 2022. The winter period was heavily disrupted by a record season of Avian Flu, and the Group's mitigation plans for this risk proved robust in the face of an unprecedented test.

In addition to a changing consumer demand pattern, we transitioned supply from one major retail customer to another, which temporarily created issues in balancing supply and demand, impacting our stock levels and margins. Performance in the second half of the year saw a significant improvement as the Llangefni site shut, helping to rebalance supply and reduce fixed costs. This, together with the completion of the customer transition helped repair margins. Equally second half performance was boosted by benefits from the automation programme coming through, and we expect a greater impact in FY24 as these benefits annualise.

The EU Poultry business started the year strongly, as the stronger market seen towards the end of last year carried through. However, second half performance was impacted by disruptions in the EU's poultry sector as EU quotas were lifted and increases in imports of surplus meat from Ukraine processors drove down prices, particularly in the wholesale sector. Against which, live bird prices in Poland and the Netherlands remained high, compressing margins. Whilst we started to see this rebalance towards the end of the year, with market prices starting to correct and live bird prices reducing, we expect this to remain a feature in the new financial year.

Our ongoing challenge in the EU Poultry business is finding a better balance between bird availability and live bird pricing and the link back to market pricing. We continue to look for opportunities to expand our retail business, which is far less volatile in earnings than the wholesale business and have gained new volume from discounters and other retailers during the year. We are currently expanding our retail plant at our Zeewolde site to support these expansion plans and expect this to complete during FY24.



## BOPARAN HOLDINGS LIMITED

### STRATEGIC REPORT

### CFO Review continued

#### Meals & Bakery

Turnover in the Meals & Bakery segment has increased by £23.8m, an increase of 4.2%, to £590.0m (2022: £566.2m). Like for like (LFL) sales have increased by 10.8%, driven by the effects of the price recovery of cost inflation. LFL sales are adjusted to reflect the disposal of Hollands and Portumna in April 2023 and Utttoxeter in February 2022.

Adjusted EBIT decreased in the year to £13.3m, a reduction of 30.0%, from £19.0m.

It has been a challenging year for the Meals & Bakery business, with performance in our Meals business impacted by operational inefficiencies during the peak winter period driven by labour availability in two of our key factories. Labour shortages led to higher waste, agency labour utilisation and overtime, as the business was over-stretched in delivering during the crucial Christmas period. Equally the business was impacted by higher levels of inflation across many of the cost lines, not all of which we were able to recover from our customers. Finally, the premium ready meals sector has experienced volatility in demand as customers have looked to adjust spending patterns or switch into lower value products as a result of the cost-of-living crisis.

We have taken a number of measures to tackle these problems head on, not least improving our labour and retention plan and a series of efficiency projects and shift pattern changes to help stabilise the operations. Alongside this, we also continue to drive sales through both our existing customer relationships and new business developments.

Meanwhile our bakery business, Gunstones had a strong financial year with improvements in profitability due to a successful Easter campaign and new customer wins.

#### CASH FLOW

£m	29 July 2023	30 July 2022
Adjusted EBITDA	103.2	99.5
Exceptional cash	(6.8)	(1.1)
Capital expenditure	(39.4)	(26.2)
Working capital	(2.7)	(22.8)
<b>Operating cash</b>	<b>54.3</b>	<b>49.4</b>
Interest	(54.1)	(44.3)
Pension	(34.2)	(16.3)
Tax	(7.6)	(3.9)
<b>Free cash flow</b>	<b>(41.6)</b>	<b>(15.1)</b>

In FY23, we continued to manage cashflows closely, balancing recovering profitability, seasonal working capital outflows and capital investment requirements to support future growth in the business.

The Group generated EBITDA of £103.2m in the year (2022: £99.5m).

Cash exceptionals of £6.8m related to one off non-recurring costs in relation to the closure of the Llangefni site and other smaller amounts.

The Group recorded a working capital outflow of £2.7m (2022: £22.8m outflow), primarily due to an underlying increase in inventory levels after normalising for the impact of disposals. This is principally in our UK Poultry operations following the volatility in demand during the first half of the year, some of which unwound during the second half when the Group was in better supply balance. We expect the remainder to unwind during FY24.

Capital expenditure increased during the year to £39.4m from £26.2m last year. The Group has continued its investment programme in automation projects in our UK Poultry business during the year, as well as machinery upgrades across both poultry businesses and in our Meals & Bakery division. We have started to see the first benefits of our automation programmes coming through, particularly in the final quarter of the year. Our next wave of automations comes onstream in the first quarter of FY24.

Cash interest costs in FY23 increased £9.8m during the year to £54.1m (2022: £44.3m) consistent with the higher interest charge in the year.

## **BOPARAN HOLDINGS LIMITED**

### **STRATEGIC REPORT**

#### **CFO Review continued**

##### **CASH FLOW CONTINUED**

Pension payments were abnormally high in FY23 at £34.2m (2022: £16.3m). This is driven by the catch up of deferred deficit repair contributions from the prior year. Further one-off contributions totalling £7.4m (2022: £nil) were paid during the year, agreed as part of the Hollands and Portumna disposal, and a balancing payment on the Uttoxeter disposal from last year. However, these cash contributions are excluded from the measure of free cash flow, consistent with the treatment of disposal proceeds.

Taxation cash flows represent tax paid on European poultry operations and increased during the year due to the improved profitability levels during FY22.

This resulted in a free cash outflow of £41.6m (2022: £15.1m).

##### **FINANCING**

No additional financing was raised during the financial year, the RCF was drawn £35m at the financial year end. The facility remains available and is utilised to draw down as required to fund the seasonal profile of the cashflows of the business. Net debt increased during the period to £526.2m (2022: £488.4m) with a cash balance of £38.6m (2022: £36.5m). The net debt: Adjusted EBITDA ratio increased from 4.91x to 5.12x. This remains high due to the underperformance of EBITDA in the year due to the performance challenges in the first half of the year.

##### **PENSIONS**

The Group operates a number of defined benefit schemes, of which all of the UK and Ireland schemes are closed to future accrual. The net deficit for the Group post retirement schemes increased from £8.0m at the prior period to £89.3m. The net pension scheme deficit in the balance sheet is stated before deduction of the associated deferred tax asset £22.2m (2022: £nil), which is reported separately within current assets.

The increase in the scheme deficit in the year was the result of actual inflation experience being higher and asset returns being lower than assumed. These movements more than offset the positive impacts of further contributions into the scheme and the increase in the schemes discount rate, from 3.3% to 5.1%, reflecting rises in corporate bond yields. Cash contributions to the defined benefit schemes in the period were £40.1m (2022: £14.1m); this includes one-off contributions on sale of Hollands and Portumna and a balancing payment for the disposal of Uttoxeter, in addition to deferred deficit repair contributions from the prior year.

The balance sheet position of the post retirement benefit schemes and the net pension financing in the profit and loss account will continue to be unpredictable as discount rates and inflation remain volatile. A net pension financing credit of £0.4m (2022: £1.9m charge) was recognised in the period and a further £4.9m (2022: £3.9m) was charged to the profit and loss including scheme administration costs and PPF levy.

The 2022 triennial valuation was completed within the financial year, agreeing a schedule of contributions to address the deficit over the next 8 years (see note 30 for further details).

##### **GOING CONCERN**

The Financial Statements have been prepared on a going concern basis as the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of 12 months from the date of approval of the financial statements. Details of the Board's assessment of the Group's 'base case', 'reasonable worst case', and 'reverse stress tests' are detailed in Note 1 to the financial statements.

## **STRATEGIC REPORT**

### **CFO Review continued**

#### **OUTLOOK**

The Group are cautiously optimistic that financial performance will improve in FY24. Operating profits will improve naturally as a result of mitigating the challenges that weighed down performance in the first half of FY23. Whilst the macro environment remains very challenging, the Group has experience with these issues, and is stronger for it. As an operator obsessed with delivering the lowest possible cost, whilst in a sustainable way, our portfolio of products is well placed to weather a challenging economy. We also expect to see further benefits of automation in FY24.

Whilst capex will be higher as we continue to invest behind our businesses, pension cash costs will be lower as a consequence of the new funding plan. The financing costs are expected to be higher due to the annualisation effect of higher interest rates on floating rate debt.

We would expect a material improvement in free cash flow performance in FY24, especially in the first half of the financial year.

**C A Tomkinson**

**Group Chief Financial Officer**

**BOPARAN HOLDINGS LIMITED**  
**STRATEGIC REPORT**  
**Key Performance Indicators (KPIs)**

The Group also uses a range of other financial and non-financial performance indicators to monitor performance.

**Financial**

<b>Turnover growth</b>	<b>Operating profit</b>	<b>Adjusted EBIT Margin<sup>1</sup></b>	<b>Net Debt<sup>2</sup></b>
<b>10.1%</b> (2022: 5.6%)	<b>£35.2m</b> (2022: £34.8m)	<b>1.6%</b> (2022: 1.6%)	<b>£526.2m</b> (2022: £488.4m)

<sup>1</sup> Adjusted EBIT margin % is the measure of Adjusted EBIT as a percentage of Turnover. Adjusted EBIT is operating profit including share of operating profit from associates and joint ventures before defined benefit pension scheme administration costs and exceptional items (note 3).

<sup>2</sup> Net debt comprises bonds, other borrowings and finance leases net of cash, and net of amortised bond costs. These are stated at period end exchange rates, or hedged rates where an effective hedge is in place (note 28).

**Operational**

<b>Accident Frequency rate<sup>1</sup></b>	<b>Food safety<sup>2</sup></b>	<b>Engagement score<sup>3</sup></b>
<b>2.12</b> (2022: 2.74)	<b>100%</b>	<b>67%</b> (2021: 69%)

<sup>1</sup> The total accident frequency rate is calculated as the total number of accidents in a 12-month period, multiplied by 100,000 then divided by the total hours worked in the same 12-month period.

<sup>2</sup> 100% of our UK/Ireland sites passed unannounced independent audits to the Global Food Safety Initiative (GFSI) standard. The prior year data was also 100% pass rate but was a mix of announced and unannounced audits following the adjustment to audit type due to Covid.

<sup>3</sup> The engagement survey is not undertaken every year; therefore, the comparative presented is from the survey undertaken in FY21.

**Sustainability**

<b>Energy usage<sup>1</sup></b>	<b>Food waste<sup>2</sup></b>	<b>Deforestation and conversion free soy meal<sup>3</sup></b>
<b>620,790,581</b> <b>kWh</b>	<b>24,243</b> <b>tonnes</b>	<b>47%</b>

<sup>1</sup> Total kWh energy usage for our Group manufacturing and processing sites

<sup>2</sup> Food waste calculated in line with Waste and Resources Action Programme (WRAP) guidelines, for our UK and ROI businesses only.

<sup>3</sup> All soy meal is purchased to recognised deforestation free standards of which 47% is basis mass balance.

For all three measures there is no comparative due to it being a new KPI under our Climate Financial Disclosures as detailed on page 34.

# BOPARAN HOLDINGS LIMITED

## STRATEGIC REPORT

### Strategic Management

#### BUSINESS MODEL

##### We source



We source live birds and high-quality ingredients from our farming partners and trusted suppliers.

Our farming partners cover a wide range of production systems ranging from farm assured through to free range, freedom food, corn fed and organic.

All elements of the supply chain must adhere to our strict protocols together with customer specifications and codes of practice.

##### We produce



We produce a wide range of high quality, predominantly fresh food, including fresh and added value poultry and own label retail products, including hot cross buns, ready meals, pizzas, soups and sauces.

Across our 23 sites we produce great tasting foods to the highest standards of food safety.

##### We supply



We supply most of the UK grocery retailers and large retailers in the Netherlands and have a strong presence in the wholesale and food service sectors.

We work closely with our customers to supply products that meet their changing needs and that deliver quality, value and convenience for the consumer.

#### OUR STRATEGY

Our strategy is focused on delivering sustainable long-term growth, through concentrating on our core poultry and meals operations. We seek to maximise sales and returns in these core operations through consolidating our footprint to achieve a simpler, more efficient business, disposing of non-core businesses and diversifying our customer mix and product offering.

Over recent years we have simplified the Group by disposing of certain non-core businesses to focus on the growth and improvement of our core businesses, which are at the heart of this long-term strategy. In addition, we have reorganised our manufacturing and production facilities by closing sites that did not fit our long-term strategy.

Underpinning our strategy is our 'Better For All' plan. Over the next 12 months we are looking to further embed sustainability into processes, behaviours and capabilities across the business.

On top of this, our future plans include:

- Continuous investment in automation to drive additional capacity and operational efficiencies.
- Further investment in our European poultry businesses to expand retail capacity at the Zeewolde site, to accommodate new business wins with discounters and other retailers.
- Maintaining a diversified customer portfolio, particularly in our Meals operations.
- Focus on developing innovative products that support our core offering.
- Further simplification and decentralisation of the back-office function and reduction in costs.
- Continue to build an inclusive and diverse working environment, underpinned by our safety culture, that is attractive and can develop existing and future colleagues.

# BOPARAN HOLDINGS LIMITED

## STRATEGIC REPORT

### Risk Management

#### GOVERNANCE OF RISK

The Group has internal control and risk management processes, which are designed to monitor, measure, and mitigate risks but not eliminate them. Outlined below are potential risks that could impact the Group's performance, causing actual results to vary from those previously experienced. These risks are monitored on an ongoing basis through the Group's risk management processes. Additional risks and uncertainties not identified may also have an adverse effect on the Group.

#### PRINCIPAL RISKS AND UNCERTAINTIES






The Board has carried out an assessment of the principal risks facing the Group, being those risks that could threaten its business model, future performance, solvency, or liquidity. The Group is exposed to a variety of risks however, in common with other businesses, it only reports on those risks with a higher likelihood and greater current or near-term impact on strategic objectives, operational plans, or reputational damage.

#### Risk trend:





- ↑ Risk increased
- ↔ Risk unchanged
- ↓ Risk decreased

COMMERCIAL		
Risk	Risk and potential impact	How we manage it
Commodity inflation & supply chain disruption  ↔	The Group's cost base and margins can be affected by fluctuations in raw material, packaging and energy costs. This has been particularly prevalent over the last two years following the escalation of war in Ukraine.  Equally, a loss of, or interruption of supply from a key supplier could cause short term disruption to the operational ability of the Group and adversely affect its results.	<ul style="list-style-type: none"> <li>The Group has pass-through mechanisms in place with key customers to share the impact of changes in commodity prices, calculated by reference to external commodity pricing and are reset periodically. During the year we have strengthened our processes in this area, including being more transparent with our customers about the underlying cost assumptions to support these price recovery discussions. These pass-through mechanisms have historically helped the Group to mitigate cost price pressures although they do not provide total coverage of all customers or cost types.</li> <li>We have a dedicated procurement team that is appropriately resourced and skilled, to proactively respond to changes in commodity markets.</li> <li>The Group manages its agricultural supply and planning carefully and has a dedicated team and software to ensure minimal disruption in bird and other raw material supply.</li> </ul>
Customer relationships & competitive pressures  ↔	Our sales are concentrated, predominately with a number of major customers who operate in a highly competitive market. Actions taken by these retailers (for example, changes in pricing and promotion strategies), may negatively impact our financial performance and can also have an impact on the overall market for our products.	<ul style="list-style-type: none"> <li>We have strong relationships with the major retailers built on the quality of our products and high levels of customer service.</li> <li>We work closely with our customers on product development programmes to provide each customer with unique products and consumers with greater choice.</li> <li>The Group continues to focus on maintaining a diverse range of customers across a broad range of price points.</li> </ul>
Consumer preferences  ↔	Consumer preferences, tastes and behaviours change over time. As part of this, the consumers' desire for healthier choices and increased convenience and value. Our ability to anticipate these trends and the cost to innovate are critical to our competitiveness in the marketplace and our performance.  Furthermore, sales of many of the Company's products can be adversely affected by seasonal weather conditions.	<ul style="list-style-type: none"> <li>The group continues to invest in product innovation to ensure the introduction of new products.</li> <li>We continuously review the impact of weather on sales during our monthly performance reviews.</li> </ul>

**BOPARAN HOLDINGS LIMITED**  
**STRATEGIC REPORT**  
**Risk management continued**


OPERATIONAL		
Risk	Risk and potential impact	How we manage it
Labour availability and cost  	The ongoing success of the Group is dependent on attracting and retaining talent to deliver the Group's strategy. Due to political, including the impact of Brexit and economic pressures there is a risk that the supply of labour may be, in certain areas, constrained and, in addition, the cost of labour could increase, resulting in additional financial and operational pressure on the Group.	<ul style="list-style-type: none"> <li>• We have processes in place to attract diverse talent into the business with the right capabilities through our 'in-house' team.</li> <li>• We have succession plans in place to retain and progress our internal talent pipeline.</li> <li>• We benchmark pay to make sure we remain competitive in the market and, where appropriate, make changes to our offering.</li> <li>• The Group also has a strong commitment to excellent working conditions, on-the-job training, and specific programmes to enhance communication and colleague engagement to retain employees.</li> <li>• We have a well-established and successful graduate recruitment and development programme and invest heavily in apprenticeship training.</li> <li>• The group continues to invest in automation and innovation to reduce our dependency on manual labor.</li> </ul>
Stoppage at major manufacturing site  	We have several major manufacturing and processing facilities, used to satisfy our customer demand. Any significant processing slowdown or stoppage could have an adverse effect on our business. This could result in us being unable to fulfil the needs of our customers or may result in increased costs to repair or replace the manufacturing facility.	<ul style="list-style-type: none"> <li>• For any short-term slowdowns or stoppages, we would look to satisfy customer demand from stocks of finished goods. For more significant issues, we would look to transfer production to another manufacturing site in the Group.</li> <li>• We also have insurance policies, including business interruption, that would provide some level of cover for the risks described.</li> </ul>
Avian Influenza  	A significant outbreak of Avian Influenza could limit the Group's supply of live birds, demand for our poultry products and our ability to conduct operations. This could result in additional financial and operational pressure on the Group.	<ul style="list-style-type: none"> <li>• We have business continuity plans should an outbreak occur near to any of our operating facilities or on the farms of our principal suppliers, including but not limited to; area restrictions, additional washing and disinfecting of transport vehicles and veterinarian checks.</li> <li>• The group also is part of and contributes to the relevant trade association network on this topic particularly considering the changing requirements on export due to Brexit.</li> </ul>
Food Safety & Reputational risks  	The Group is subject to the risk of product or raw material contamination through either accidental or deliberate means. Such incidents could lead to product recall costs, reputational damage, and regulatory penalties.	<ul style="list-style-type: none"> <li>• Each site has a dedicated team to ensure compliance with Group and industry standards.</li> <li>• Each manufacturing site is subject to both internal and external audits, including customers, environmental health departments, and the Food Standards Agency (UK).</li> <li>• Whistleblowing processes are in place and routinely tested.</li> <li>• Regular mandatory compliance-related training is in place.</li> <li>• The group also constantly monitors both compliance and performance through a comprehensive set of key performance indicators and reporting through to the Safety &amp; Governance Committee (SAG).</li> </ul>
Health & safety  	Failure to protect the health and safety of our employees could result in a serious workplace injury or fatality, which could lead to reputational damage, regulatory restrictions or penalties and personal litigation claims.	<ul style="list-style-type: none"> <li>• Each site has a dedicated team to ensure compliance with Group and industry standards.</li> <li>• The group constantly monitors both compliance and performance through a comprehensive set of key performance indicators, including Accident Frequency Rates and Audit Performance Score which is subject to regular review by the SAG.</li> <li>• Each manufacturing site is subject to internal audits by the Group H&amp;S team on an annual basis and sites are also subject to independent annual property and fire risk survey through our insurance provider.</li> <li>• The group retains ISO 45001 Occupational Health and Safety Management Systems Standard across its operations.</li> </ul>

**BOPARAN HOLDINGS LIMITED**  
**STRATEGIC REPORT**  
**Risk management continued**

OPERATIONAL		
Risk	Risk and potential impact	How we manage it
<p>Climate change</p> <p></p> <p>due to increase in extreme weather events, increasing regulations and stakeholder expectations</p>	<p>Tackling climate change, by taking measures to limit its impact to manageable levels, has become a key priority for governments, businesses, and customers.</p> <p>There is a risk that Group may fail to appropriately manage the impact of climate change in our products and operations and meet the needs of our customers, causing operational disruption and adversely affect the Group's result. Failure to adhere to the increasing laws and regulations in this field, could have both a financial and reputational impact on the Group.</p> <p>Through our work on Climate-Related Financial Disclosures (CFD), we have identified risks and opportunities associated with climate change, ingredients sourcing, energy pricing, policy changes and changing consumer behaviour. Please see page 32 for further information.</p>	<ul style="list-style-type: none"> <li>The Group continues to develop its 'Better For All' plan with a focus on improving production efficiency, reducing carbon emissions, responsible water stewardship, reducing food waste, and identifying alternative options to decrease reliance on imported soya for feed.</li> <li>We have committed to set near and long-term companywide emissions reductions to meet Net Zero targets. Our goal is to achieve Net Zero before 2040.</li> </ul>
<p>IT Systems and cyber attacks</p> <p></p> <p>due to increased prevalence and sophistication of ransomware attacks targeting all industries</p>	<p>The Group relies heavily on information technology and systems to support our business. An extended failure of our core systems, caused by accidental or malicious actions (including cyber-crime), could result in a significant financial impact on the business.</p>	<ul style="list-style-type: none"> <li>Our centrally governed IT function continually monitors known and emerging threats.</li> <li>The Group maintains a programme of controls to protect the confidentiality, integrity and availability of information across the business. This includes but is not limited to maintaining firewalls, threat detection, authentication controls and annual penetration testing.</li> <li>This year we have undertaken a deeper cybersecurity review with an external partner and throughout FY24 we will be working to reach the standards of cybersecurity and processes requires to meet ISO27000 certification.</li> </ul>
FINANCIAL		
Risk	Risk and potential impact	How we manage it
<p>Liquidity risk</p> <p></p>	<p>The Group has committed financing in place, which can only be withdrawn in the event of a breach of financing agreement, such as a breach of financial covenants, when the Group might be restricted in its ability to operate normally and could be required to dispose of assets to pay down debt and incur additional costs.</p>	<ul style="list-style-type: none"> <li>Liquidity risk is monitored by the Board who review the adequacy of available funding and compliance with borrowing covenants monthly.</li> </ul>
<p>Pensions</p> <p></p>	<p>The Group has defined benefit pension plans some of which are currently in deficit (on an actuarial basis). Valuations of all defined benefit plans are dependent upon market conditions. The Group may be required to increase pension contributions which may have an adverse effect on its financial condition. Furthermore, pension regulations could restrict the freedom of the Group to undertake certain corporate activities (including disposals and return of capital to shareholders).</p>	<ul style="list-style-type: none"> <li>The Board regularly reviews the value of assets and liabilities of the Group's pension schemes as well as the potential impact of changes in actuarial assumptions and actions that can be taken to mitigate the risks associated with the defined benefit pension schemes.</li> <li>The Group maintains a good working relationship with the Pension scheme trustees with whom it has agreed a long-term funding plan.</li> </ul>



**BOPARAN HOLDINGS LIMITED**  
**STRATEGIC REPORT**  
**Risk management continued**

FINANCIAL		
Risk	Risk and potential impact	How we manage it
Interest rate risk   due to recent increases in interest rates	The Group has a mixture of fixed and floating rate facilities in place. A material increase in interest rates would increase the Group's cost of borrowing, resulting in additional financial pressure on the Group.	<ul style="list-style-type: none"> <li>The Group manages its exposure to interest rate risk using fixed interest rate facilities where possible, such as the outstanding Senior Secured Notes.</li> <li>For floating rate facilities, the movement in interest rates is continually monitored by management and the use of risk management tools are implemented where appropriate to minimise the impact on the Group.</li> </ul>

**FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES**

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the period.

**Interest rate risk** - The Group is exposed to interest rate risk as a result of its financing facilities. The Group manages the exposure to interest rate risk through the use of fixed interest rate facilities where possible such as the outstanding Senior Secured Notes. These notes represent the significant majority of the Group's interest expense (see note 4 for details). The Group retains an exposure to interest rate risk as a result of the other debt facilities in place which attract interest at SONIA plus an applicable margin. This residual interest rate risk is continually monitored by management and the use of risk management tools are implemented where appropriate to minimise the impact on the Group.

**Liquidity risk** - The Group uses a mixture of long-term borrowings and short-term working capital facilities in order to maintain liquidity and ensure sufficient funds are available for ongoing operations and future developments. The strength of the Group's short term cash flow forecasting ensures that liquidity risks can be forecasted with accuracy and action plans quickly put in place to mitigate risk.

**Foreign currency risk** - The Group manages net foreign exchange exposures in respect of sales and purchases of its UK and European subsidiaries through short term currency hedges.

The Group only enters into trades of financial instruments for specific purposes; speculative purchases are not made.

**Our Stakeholders (Section 172 Statement)**

The Board is responsible for leading shareholder engagement and recognises the need for high standards of business conduct. Like many major UK businesses, the Group operates in a complex and interconnected commercial and regulatory environment, which impacts and touches many different stakeholders. The Board recognises the need to act fairly when balancing the needs and requirements of the different stakeholders. Equally we understand our long-term growth and success are dependent on engagement with stakeholders. By understanding and engaging with stakeholders, the Board can consider their views and interests are considered when making key decisions.

Our sustainability strategy, 'Better For All' was launched during the year and sets out how our purpose and sustainability strategy are interlinked with stakeholders in mind.

The table below sets out the Board's approach to stakeholder engagement under Section 172 of the Companies Act, why stakeholders matter and some key decisions made during FY23.

## BOPARAN HOLDINGS LIMITED

### STRATEGIC REPORT

#### Our Stakeholders (Section 172 Statement) continued

##### STAKEHOLDER ENGAGEMENT

Our People	
Why we engage	Our people contribute to the success of the Group. We have an experienced and dedicated workforce of nearly 15,000 colleagues at 23 sites and dedicated office facilities across the UK, Netherlands and Poland. We have a responsibility to ensure all colleagues work in a safe environment and have opportunities to learn and develop in their careers.
How we engage	<ul style="list-style-type: none"> <li>• Internal communication briefings on our priorities and performance.</li> <li>• Colleague engagement surveys and “temperature” checks.</li> <li>• Colleague appraisal process.</li> <li>• Employee app inclusive of local and group wide updates.</li> <li>• A formal whistleblowing procedure.</li> </ul>
What our stakeholders have told us matters most to them	<ul style="list-style-type: none"> <li>• Understanding our purpose, strategy and values.</li> <li>• Reward and recognition.</li> <li>• Safe and pleasant working conditions.</li> <li>• Learning and development opportunities and career progression.</li> <li>• Employee wellbeing.</li> </ul>
How we are responding	<p>Specific actions taken in the year include:</p> <ul style="list-style-type: none"> <li>• The Board are committed to the investing in the Group’s facilities, which this year included enhancements to our facilities such as changing rooms and canteens, impacting the daily working experience of our workforce.</li> <li>• The Board receives regular updates on key employee issues, and we have undertaken regular pay reviews within the local area to ensure our pay is competitive.</li> <li>• In our UK businesses we have updated our appraisal process and launched a new program of in-house training courses to help support our people’s development.</li> <li>• Members of the Board have continued to meet and listen to the views of colleagues as part of its site visits. Equally as part of the internal communication briefings, members of the Board conducted a Q&amp;A session with colleagues.</li> <li>• We have continued to enhance our communications through the deployment of the employee app, the dedicated translation feature within the application ensures the communications are accessible to our colleagues of different nationalities.</li> </ul> <p>Other measures we have in place are as follows:</p> <ul style="list-style-type: none"> <li>• We are driving engagement initiatives, with clear targets for employee engagement score improvement.</li> <li>• We are committed to protecting the health, safety, and welfare of our colleagues. Health and Safety matters are reported and discussed at the Safety and Governance committee.</li> <li>• A formal whistleblowing procedure is in place to allow employees to raise any concerns or issues they have confidentially, and details of all cases raised are fed back to the Board via the Audit Committee.</li> <li>• We continue to offer recognition awards for ‘employees of the month’ and long service.</li> </ul>

## BOPARAN HOLDINGS LIMITED

### STRATEGIC REPORT

#### Our Stakeholders (Section 172 Statement) continued

Our Customers	
Why we engage	Customers and consumers buy and eat our products – they are at the heart of our business model. The Board recognises the importance of changing consumer behaviours and preferences and is committed to delivering great products to ensure their needs are fully met.
How we engage	<ul style="list-style-type: none"> <li>Regular meetings take place at many levels, through the commercial sales team, technical team, senior management and President. These cover product range reviews, new products, promotions, food quality and service levels.</li> <li>Customer insights, from various channels, are shared and discussed at Board meetings, including details on consumer behaviours, market trends and competitor activities. Product tastings and NPD are showcased at Board meetings.</li> <li>Customer and consumer feedback is reported to the Board and its sub-committees.</li> </ul>
What our stakeholders have told us matters most to them	<ul style="list-style-type: none"> <li>Great tasting and quality products that meet consumers' needs.</li> <li>Value for money.</li> <li>Environmental, nutritional and sustainability issues.</li> <li>Excellent customer service and consistent service levels.</li> </ul>
How we are responding	<ul style="list-style-type: none"> <li>The Board is regularly updated on customer initiatives and performance and developing trends. This assists the Board in understanding our customers, the opportunities, and potential issues.</li> <li>The Group, including the President works closely with retail customers to ensure we can address customer demand patterns, have the right commercial structures in place and to focus on new product development.</li> <li>The Board approved the sustainability strategy in the year, an area that is a key focus for our customers. Read more on our sustainability strategy on pages 24 to 27.</li> </ul>

Our Suppliers	
Why we engage	The effectiveness of the Group's interaction with our suppliers is essential given the level of ingredients and packaging purchases we make. The Board fully appreciates that ongoing dialogue with our suppliers has never been more important as the food industry continues to face challenges in respect of labour availability, inflation and material sourcing.
How we engage	<ul style="list-style-type: none"> <li>Audits and visits</li> <li>Supplier policies.</li> <li>Industry events and forums.</li> <li>Regular meeting with suppliers.</li> </ul>
What our stakeholders have told us matters most to them	<ul style="list-style-type: none"> <li>Understanding the Group's strategy and growth plans.</li> <li>Forming long-term collaborative partnerships.</li> <li>Transparent terms of business.</li> <li>Fair payment terms.</li> </ul>
How we are responding	<ul style="list-style-type: none"> <li>We continue to undertake supplier audits to ensure the safety, traceability, quality and provenance of the raw materials that we use. Matters such as these are reported to the Board via the Safety and Governance committee.</li> <li>Payment policies, practice and performance are reported through the Government's Payment Practices Reporting portal and reviewed by the CFO.</li> </ul>

## BOPARAN HOLDINGS LIMITED

### STRATEGIC REPORT

#### Our Stakeholders (Section 172 Statement) continued

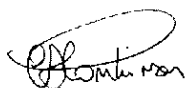
Trade Bodies, Industry and Government Groups	
Why we engage	We work with many trade bodies including, British Poultry Council (BPC), Chilled Food Association (CFA), Red Tractor. We also actively engage in key industry groups such as Food Industry Intelligence Network (fiin), Food Industry Initiatives on Antimicrobials (FIIA) and Food Network, Ethical Trade (FNET). We engage with key government and related departments such as DEFRA, FSA, FSS and the UK Health Security Agency. This allows us to help inform policies and improve industry standards.
How we engage	<ul style="list-style-type: none"> <li>Our directors and senior management sit on steering committees, groups &amp; boards including co- chairing some prominent industry groups such as FIIN and the IGD Sustainable Diets Forum.</li> </ul>
What our stakeholders have told us matters most to them	<ul style="list-style-type: none"> <li>Food safety.</li> <li>Animal welfare.</li> <li>Human rights.</li> </ul>
How we are responding	<ul style="list-style-type: none"> <li>We continue to provide input, resources and leadership into these groups for the benefit of our business, the sectors we operate in and the food industry as a whole.</li> <li>The Group has a comprehensive supplier management programme to assure the safety, quality and integrity of our end-to-end supply chain. It encompasses physical audits, integrity testing and traceability challenges. Matters such as these are reported to the Board via the SAG.</li> <li>In the last 12 months the agricultural team conducted over 1,000 audits for our customers, Red Tractor and RSPCA. Results of these audits are reported to the Board via the SAG.</li> </ul>

Our Communities	
Why we engage	Our business depends on the communities in which we operate. We see it as our responsibility to actively engage with and support our local communities, including local businesses, residents, and charities. We also have an important role to play in ensuring we reduce our impact on the environment.
How we engage	<ul style="list-style-type: none"> <li>Working with local schools and universities.</li> <li>Charity fundraising and foodbank donations.</li> <li>Environmental commitments.</li> </ul>
What our stakeholders have told us matters most to them	<ul style="list-style-type: none"> <li>Giving back to the community.</li> <li>Act responsibly.</li> </ul>
How we are responding	<ul style="list-style-type: none"> <li>Food donation continues to be a central focus for our community engagement efforts. The Group works with a number of food redistribution organisations – including FareShare and Company Shop to donate food or equipment to those within our local communities who need it most.</li> <li>Some of our sites have signed the Armed Forces Covenant and have been awarded the bronze employer recognition award in recognition of their pledge to support Service Leavers and their spouses.</li> <li>The Board continues to support colleagues taking part in fundraising activities for a variety of charities.</li> </ul>

Shareholders, Bond holders, Bank and Pension schemes	
Why we engage	The Group's shareholders, banks, bondholders and lenders provide short- and long-term capital that supports the viability of the Group. The Group also has defined benefit pension schemes who depend on the Group's long-term ability to fund the schemes.
How we engage	<ul style="list-style-type: none"> <li>Annual Financial Accounts.</li> <li>Quarterly updates to lenders including trading updates, financial statements, and outlook statements.</li> <li>Regular update meetings with the Chair of the pension trustees.</li> <li>Website including Investor Relations section.</li> </ul>
What our stakeholders have told us matters most to them	<ul style="list-style-type: none"> <li>Strong management.</li> <li>Sustainable growth supported by an appropriate balance sheet.</li> <li>Compliance with covenants.</li> <li>Ongoing schedule of contributions.</li> </ul>
How we are responding	<ul style="list-style-type: none"> <li>Direct engagement by the CFO and Group treasurer with the Group's lenders via conference calls and face-to-face meetings.</li> <li>Regular dialogue, including attendance at pension trustee meeting with updates on trading performance. Periodic updates are provided to the Board on funding levels, investment strategy and performance via the Finance and Pension Committee.</li> </ul>

**BOPARAN HOLDINGS LIMITED**  
**STRATEGIC REPORT**

Approved by the Board of Directors and signed by a director on its behalf.

A handwritten signature in black ink, appearing to read 'C A Tomkinson', with a large, sweeping loop at the end.

**C A Tomkinson**  
**Director**  
**23 October 2023**

## BOPARAN HOLDINGS LIMITED

### GOVERNANCE REPORT

For the year ended 29 July 2023, under The Companies (Miscellaneous Reporting) Regulations 2018, the Company has applied the Wates Corporate Governance Principles for Large Private Companies.

<b>Company purpose and values</b>	<p>The Group has a clear purpose, to contribute to a better world by feeding people sustainably produced, great tasting, healthy chicken and meal solutions, now and in the future. This is aligned to the strategy to deliver longer term sustainable growth.</p> <p>The Group understands that the delivery of the strategy is only possible through its people. We employ more than 15,000 colleagues from over 36 nationalities, working at factories and office locations in England, Scotland, Wales, the Netherlands and Poland.</p> <p>The Group's values, Accountability, Discipline, Agility, Respect and Transparency (ADART) have now been in place for 4 years and are well embedded in the Group's culture.</p> <p>An effective Board develops and promotes the purpose of a company, and ensures that its values, strategy and culture align with that purpose. In this respect: -</p> <ul style="list-style-type: none"> <li>• Shareholders are represented on the Board to ensure an understanding of their views.</li> <li>• We have identified the main stakeholders for Group as being colleagues, customers, suppliers, bond holders, pension trustees &amp; the Pension Regulator.</li> <li>• We regularly engage with all stakeholders, with regular updates to colleagues at all levels; business reviews with customers and key suppliers; quarterly updates to bond holders; regular meetings with pension trustees; updates on material events to the Pensions Regulator.</li> <li>• Our ADART behaviours are included in on-going performance management.</li> <li>• We have an established whistleblowing procedure in place, with the results reported to the Safety and Governance (SAG) committee, thereby covering both financial and non-financial governance.</li> </ul>
<b>Board composition</b>	<p>As at 29 July 2023 the Board comprises the Chairman, President, representatives of the ultimate shareholders, Chief Financial Officer and two independent non-executive directors.</p> <p>The Board provides practical leadership to the Group and has an appropriate balance of executive and non-executive directors and of skills, knowledge, and experience appropriate to meet the strategic needs and challenges of the organisation and to enable effective decision making.</p> <p>The Independent Non-Executive Directors of the Board are wholly independent in that they have no material business or relationships with the Company that might influence their independence or judgement.</p> <p>The main Board meets a minimum of eight times per year and leads the strategic direction of the Group, monitors operational performance, and ensures appropriate internal controls are in place. Through the ongoing review of suitably detailed management information the Board ensures that risks are appropriately monitored and managed. In addition, certain governance responsibilities are delegated to Board sub committees as follows:</p> <ul style="list-style-type: none"> <li>• Financing &amp; Pensions Committee, chaired by the Executive Chairman, Richard Pennycook and on which the two non-executive directors also sit, and meets as required.</li> <li>• Audit Committee, chaired by Non-Executive Director, Ian Ellis and meets at least quarterly.</li> <li>• Remuneration committee, chaired by Non-Executive Director, David Gregory and meets as required.</li> <li>• Safety and Governance (SAG) committee, chaired by Non-Executive Director, David Gregory and meets at least once a quarter.</li> </ul>
<b>Directors' responsibilities</b>	<p>The Board and individual Directors have a clear understanding of their accountability and responsibilities. The Board's policies and procedures support effective decision-making and independent challenge.</p> <p>The Group looks to provide a strong governance framework to allow its Board and committees to make clear and considered decisions based on a full understanding of their accountability and responsibilities. The structure and organisation of the business is clearly defined and documented, and the Board has access to reports ahead of Board meetings to give opportunity to review and then challenge.</p> <p>The Board and committees receive regular and timely information to support their work, including reports on financial performance, commercial and market analysis, people and culture, health and safety, procurement, technical delivery, sustainability, and risk status.</p> <p>Integrity of information is critical in allowing the Directors to exercise their duties and responsibilities. Key financial information is collated from the Group's various accounting systems. The Group's finance function has appropriately qualified colleagues in each business to ensure the integrity of this information. Financial controls are reviewed as part of an internal audit programme. Their work schedule is set each year in agreement with, and findings reported to the Audit Committee.</p>

## BOPARAN HOLDINGS LIMITED

### GOVERNANCE REPORT

Opportunity and risk	<p>The Board looks to promote the long-term sustainable success of the company by identifying opportunities to create and preserve value and establishing oversight for the identification and mitigation of risks.</p> <p>The Group seeks to deliver profitable growth opportunities that will benefit all its stakeholders whilst mitigating risks that may arise and is focussed on creating long term value.</p>
	<p><u>Opportunity</u></p> <p>The main Board develops, documents and communicates the business strategy. This optimises opportunities identified for the Group to develop and improve its products and services for its customers, as well as its performance and operations. Please see the Strategic Report for further information.</p>
	<p><u>Risk</u></p> <p>The Group is currently developing and strengthening its risk management framework to mitigate the risks faced by the business, with internal controls reviewed by the Group's Internal Audit function and reported to the Audit Committee. The Group's key operational risks are described in the Strategic Report, with risk reviews undertaken and reviewed by the Audit Committee.</p> <p>Performance of each business is reviewed by the Executive Management Team at monthly business performance review ("BPR"); alongside KPIs for each business, and sustainability metrics.</p>
	<p><u>Responsibilities</u></p> <p>The Group has a documented "Board book" to provide a framework of rules, processes, and delegated authorities. Responsibility for day-to-day financial and operational control rests with the divisional management. However, certain decisions are reserved to the main Board or a relevant sub-committee. This ensures that all expenditure, investments, and commitments are subject to appropriate review and approval by the business.</p>
Remuneration	<p>The Board looks to promote executive remuneration structures aligned to the long-term sustainable success of the company, considering pay and conditions elsewhere in the Group and the wider industry. The Remuneration Committee has the responsibility for managing Executive and Senior Management remuneration.</p> <p>The Remuneration Committee's primary objectives are to set the policy and strategy for the remuneration and development of key members of the central and divisional management teams. This is intended to ensure that we have the best people in our business. The remuneration policy shall cover:</p> <ul style="list-style-type: none"> <li>• base salary;</li> <li>• performance related remuneration to align the interest of the Directors and the Shareholders and reward their individual contributions to the success of the company;</li> <li>• benefits in kind; and</li> <li>• pensions.</li> </ul> <p>The Remuneration Committee also approves the design of, and determines the targets for, any performance related incentive schemes and approves the calculation and payment of all awards.</p> <p>The Group is an active equal opportunities employer and promotes an environment free from discrimination, harassment and victimisation, where everyone receives equal treatment and career development regardless of age, gender, nationality, ethnic origin, religion, marital status, sexual orientation or disability. All decisions relating to employment practices (including remuneration) are objective, free from bias and based solely upon work criteria and individual merit.</p>
Stakeholders	<p>The Directors foster effective stakeholder relationships aligned to the company's purpose. The Board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.</p> <p>For details of how we engage with our stakeholders please see the section 172 statement starting on page 17 that forms part of this report by cross reference.</p>

## BOPARAN HOLDINGS LIMITED SUSTAINABILITY REPORT

*"The urgency of the climate crisis is increasingly apparent as extreme weather events impact more and more communities worldwide.*

*The climate crisis is here and now, and time is running out to do something about it. The food sector has a massive part to play in this. A third of global emissions and 75% of global deforestation comes from food. The climate crisis threatens the world's food supply. Weather extremes will cause damage to farming infrastructure and adversely affect productivity. Equally nearly 40% of the food we make is wasted, whilst nearly a billion people on the planet go to bed hungry.*

*We are at a crossroads, and it's never been more important for us as an industry to address the critical issues of climate, food security and what comes as a consequence: poverty. Failure to act means our most vulnerable people suffer first. This cannot be right, and it is our responsibility to ensure we leave the right legacy, where the next generation is better and more prosperous than this one.*

*That's why I want my businesses to operate in a way that is 'Better For All', not just for our bottom line. This year we launched our 'Better For All' plan, which is not just a sustainability strategy but a different way of operating and involves us being honest about the areas where we need to do better.*

*It's not enough to simply minimise our environmental impact or set challenging sustainability goals. We must tackle challenges head-on to help shape the food system of the future and make it fair, plentiful and resilient. One that works for everyone. One that is 'Better For All'."*

**Ranjit Singh, Owner and President**

### Our Sustainability Strategy

Our Board acknowledges that a sustainable business model is essential for discharging its responsibility for promoting the success of the Company and ensures that decisions taken consider the impact upon our members, colleagues, health and safety, the environment, suppliers, business partners and our community.

This year, we launched our **'Better For All'** plan covering material aspects of sustainable development and encompasses everything we touch, from the ingredients we source, to the communities we serve. It sets out how we can challenge ourselves more to fulfil our responsibility as a business by making nutritious and sustainable food, contributing to a healthier planet and nourishing the lives of our communities. It sets our scope of work for the next decade, with targets up to 2030 and our Net Zero ambition before 2040.

Since its launch we have worked hard to embed its ethos into the heart of decision-making.

Additional detail on our 'Better For All' plan can be found on the Group's website <https://www.2sfg.com/betterforall>.





## BOPARAN HOLDINGS LIMITED

### SUSTAINABILITY REPORT

#### Our sustainability strategy continued

#### BETTER FOR THE ENVIRONMENT

Better for the Environment means taking tangible action to lessen our environmental impact and leave a world fit for future generations. We strive to be climate smart in how we manufacture our products, guided by our new Net Zero plans that include energy, water and waste reduction across our sites.

Initiative	Ambition	Progress
Reducing our carbon footprint and Net Zero	We have committed to science-based targets for GHG emissions reduction and a science-based Net Zero target before 2040. Some of our actions in support of our Net Zero ambition, will include increasing our energy efficiency, reducing overall energy use across the business and purchasing renewable electricity in our energy supply.	<ul style="list-style-type: none"> <li>- We have completed Phase 3 Energy Savings Opportunity Scheme (ESOS) surveys across our sites which have highlighted where further efficiencies can be achieved.</li> <li>- We are exploring future lower carbon alternatives for heat including hydrogen networks on the East coast and in the Midlands.</li> </ul>
Reducing food waste	Food waste and loss is a significant contributor to global GHG emissions and the Group supports the Waste & Resources Action Programme (WRAP) Food Waste Reduction Roadmap initiative, to reduce food waste. We report annually on progress towards our target for food waste.	<ul style="list-style-type: none"> <li>- We look to redistribute surplus food to ensure where possible it goes for human consumption. Our Grimsby site has worked with FareShare to redistribute soup from our new product development process. In the last calendar year we redistributed 749 tonnes of food and this year we have set a target to increase volume of surplus redistributed by 10% pa.</li> </ul>
Sustainable water management	We aim to protect natural resources including water and have adopted the WRAP Roadmap Towards Water Security for our own operations and supply chain. This means setting targets for water efficiency in our own operations and understanding and addressing water risks in our supply chain.	<ul style="list-style-type: none"> <li>- Within our operations, we are in the process of adding automatic water meters to all sites, giving us half hourly water usage data and better visibility of our baseline consumption. At our Putten site, installation of a new crate washer has saved 16,000m<sup>3</sup> of water a year. A saving of 60,000 m<sup>3</sup> of gas per year has also been achieved due to the requirement to heat less water.</li> </ul>

#### BETTER FOR AGRICULTURE

We support our farmers to deliver the best welfare for their animals and have a positive impact on the land. Animal welfare is a priority for the Group which we drive through best practice farm management and continuous improvement in our standards, offering a wide range of certified products.

The farms supplying our poultry are a key part of our supply chain and we need to support them in practices that protect natural resources and biodiversity by developing a strategy for nature positive farms.

Initiative	Ambition	Progress
Leading on animal welfare	We will demonstrably improve welfare KPIs and minimise antibiotic usage. We are members of the Food Industry Initiative on Antimicrobials and align with the principles of responsible antibiotic use and best practice in health and welfare of animals.	<ul style="list-style-type: none"> <li>- We continue to audit and drive best practice farm management with our dedicated in-house team. This year we reduced our antibiotic usage by 13% compared to the previous year.</li> <li>- We were recognised as Processor of the Year at the 2023 National Egg &amp; Poultry awards.</li> </ul>
Nature positive farms	We will optimise and protect our natural resources and deliver a strategy to improve the environment and biodiversity around our supplying farms.	<ul style="list-style-type: none"> <li>- We have determined the number of water body catchment areas in which each of our 76 supplier farms in the East of England are situated, helping us to understand the potential impact on the local environment.</li> <li>- Across our poultry farming estate, our joint venture partners have completed 93 tree planting surveys. To date, they have planted 3,656 trees.</li> </ul>
GHG reduction in agricultural supply chain	We will support our Net Zero 2040 roadmap through reduction of scope 3 emissions in the agriculture supply chain.	<ul style="list-style-type: none"> <li>- We are exploring alternative protein sources that reduce the GHG emissions associated with feed in our poultry supply chain.</li> <li>- 17% of all power used on company farms comes from low or zero carbon sources.</li> </ul>

## BOPARAN HOLDINGS LIMITED

### SUSTAINABILITY REPORT

#### Our sustainability strategy continued

##### BETTER FOR OUR PRODUCTS

We want to create tasty, nutritious, quality products with the highest standards across our supply chain. We drive a culture of operating beyond compliance with performance metrics designed to deliver the best quality products.

Initiative	Ambition	Progress
Food safety and quality	We will meet the highest standards of food safety through robust auditing to a Global Food Safety Initiative (GFSI) standard and stringent internal governance.	<ul style="list-style-type: none"><li>- Our sites are independently audit to the GFSI benchmarked, BRCGS standard. This year was our best ever performance with 100% pass rate and 50% of the sites achieving the highest possible AA* grade. We also apply and adopt equivalent food safety and quality standards for our supply chain.</li><li>- Our central technical team completed 129 on-site and 21 remote supplier audits this year, and a further 756 paperwork approvals.</li></ul>
Healthy and sustainable meals	We will produce more nutritious and sustainable food products, supporting different dietary preferences, with a focus on health across the range.	<ul style="list-style-type: none"><li>- We support different dietary preferences across our product range. One example being 41% of our Meals &amp; Bakery products are suitable for vegetarians.</li></ul>

##### BETTER FOR SOURCING

Better for Sourcing means ensuring our products and ingredients are sourced with integrity and with minimal impact from farm to plate. *We will align with global agriculture and forestry best practice and respect the rights of people in our supply chain.*

Initiative	Ambition	Progress
Human rights in our supply chain	We will respect and uphold human rights across our supply chain, risk-assessing suppliers and labour providers and addressing issues directly.	<ul style="list-style-type: none"><li>- Supplier registration on the Supplier Ethical Data Exchange (SEDEX) is monitored with over 95% of our top 250 suppliers compliant.</li></ul>
Sourcing with integrity	All critical raw materials will be responsibly sourced, with all soy certified deforestation free by 2025.	<ul style="list-style-type: none"><li>- Currently all soy meal in our live poultry supply chain is responsibly sourced to standards benchmarked against the European Feed Manufacturers Federation (FEFAC) soy sourcing guidelines (2021).</li><li>- We are members of the UK Soy Manifesto and support the commitment to ensure all shipments of soy to the UK are deforestation and conversion free by 2025. Our soy targets can be seen on page 34.</li></ul>
Sustainable packaging	We will reduce the amount of plastic in our packaging, use more recycled material, and continue to drive for all packaging to be recyclable by 2025.	<ul style="list-style-type: none"><li>- We have continuously reduced the amount of plastic in our packaging since 2018. Reductions this year have included 53 tonnes of plastic from film used across our poultry operations, with 60% of lidding films now containing 30% recycled content.</li><li>- 92% of our plastic packaging is now widely recyclable, an increase of 33% since 2018.</li></ul>

## BOPARAN HOLDINGS LIMITED

### SUSTAINABILITY REPORT

#### Our sustainability strategy continued

##### BETTER FOR OUR PEOPLE

We want to create and maintain happy, healthy and inclusive teams and communities. We aim for our workforce to be inclusive and representative of the communities in which we operate, improving our employer brand.

The health, safety and wellbeing of our colleagues is a priority, and we remain focused on developing a positive safety culture across our operations.

We protect the human rights of those working in our operations through continued vigilance against modern slavery, working with organisations including StrongerTogether to raise awareness of indicators of modern slavery risk.

Initiative	Ambition	Progress
<b>Inclusive workforce</b>	We will implement a diversity and inclusion strategy and action plan and review all policies to ensure they are truly inclusive. By 2025, we aim for 30% of our supervisors and management to be women.	- We are a strategic partner of 'Meat Business Women', a global network and mentoring organisation for women in the meat industry. 25 of our colleagues are currently participating in the programme.
<b>Health, safety and wellbeing</b>	We will continue to develop a positive safety culture across our operations and support the wellbeing of colleagues. We will also continue to protect the human rights of those working in our operations.	- The group has continued to deliver successive year on year accident reduction with a 39% reduction in Accident Frequency Rate (AFR) in the last 4 years. - This year we launched our employee application which provides information direct to colleagues. This includes regular communications on our wellbeing programme, such as support on mental health issues. We now have 112 Mental Health First Aiders in various roles across the business.
<b>Partnering with communities</b>	We will be a good neighbour in our communities and will add value and provide leadership as an active supporter of the wider food industry.	- We are represented at Board level and working groups of industry organisations such as the Modern Slavery Intelligence Network, of which we are a founding member.

##### BETTER FOR OUR

We will operate with a transparent, credible governance structure with integral measurement and reporting. The Sustainability Steering group is chaired by the BHL president and functional heads represent each element of the strategy. To support the targets within the 'Better For All' Plan we need to attract and retain talented individuals. Employee recruitment, retention and engagement is therefore a key part of being 'Better For Business'.

Initiative	Ambition	Progress
	We will continue to support and engage our teams, improving our employer brand and making the Group a better place to work.	- This year we have revitalised how we approach employee appraisals to identify our highest performing talent and to identify targeted training and development to meet individual needs.
	We will use data to drive actions and transparency in reporting against our targets.	- Data underpins our ambitions in all aspects of our 'Better For All' plan. We have updated the process for environmental data capture to ensure we meet all internal and external reporting requirements, as well as procedures to support data validation for our environmental KPIs.

#### In FY24

We will continue to embed the 'Better For All' plan across the business. Key actions will include:

- Submitting our Science Based Targets for GHG reduction for validation and beginning to track emissions reduction against this pathway.
- Further reducing our food waste by exploring new opportunities to divert surplus food to those most in need, working with our redistribution partners.
- Working with soy meal suppliers to deliver the UK Soy Manifesto commitment.
- Working with our farming partners to take steps to further enhance animal welfare.



**BOPARAN HOLDINGS LIMITED**  
**SUSTAINABILITY REPORT**  
**Climate-Related Financial Disclosures (CFD)**

We recognise that climate change is one of the most pressing issues for society, and our collective response over the next decade will determine how broad and deep the impacts of this will be. That’s why we must continue to work collaboratively to make a greater positive impact. We see it as both a responsibility and an opportunity, to which we are committed to playing our part.

Our ‘Better For All’ Plan, lays out our new set of ambitions and targets, that help address the global challenge we all face and how we can better prepare our business to adapt to the impacts of climate change.

We are pleased to confirm that we have included in our CFD disclosures the material climate-related financial disclosures consistent within the four areas and the eight recommended disclosures set. However, as we align our approach and further embed sustainability into our processes, the following areas require more time to fully implement:

- Enhancements to the Group’s governance arrangements and formalisation of Board committees to further embed our considerations of climate-related risks and opportunities into our business strategy and activities, including measuring our progress.
- We will continue to monitor and develop our understanding of climate related risks and opportunities, and of the resilience of the Group’s business model and strategy, under different climate related scenarios.
- With regards to calculation of the Group’s metrics, we plan to improve our data collection processes and internal controls over the accuracy of the data. The process of producing this report has helped us to understand our metrics better. We recognise that progress against our targets is a journey and are now working at pace to fulfil our commitments.

Equally we are working closely with our total supply chain to identify and validate the Scope 3 emissions. We have completed a value chain analysis of upstream Scope 3 GHG emissions using the methodology prescribed in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. As we work to submit our Science Based Targets for GHG emissions reduction in 2024, we are already conducting more detailed analysis of our Scope 3 emissions and therefore are not disclosing these in this year’s CFD report.

**1. GOVERNANCE**

**Disclose the organization’s governance around climate-related risks and opportunities.**

Describe the Group’s governance arrangements in relation to assessing and managing climate-related risks and opportunities.	<p>The Group’s corporate purpose and sustainability strategy are set by the Board. Our Board monitors our overall performance against our stated ambition and targets.</p> <p>The sustainability strategy is managed by the Group Technical Director who reports to the President. There is a sustainability steering group which is attended by the senior executive sponsors of each of the pillars of the strategy and attended by the CFO.</p> <p>Progress on sustainability is reported through:</p> <ul style="list-style-type: none"><li>• Monthly report to the Board, reporting on KPIs and other environmental metrics.</li><li>• Quarterly SAG committee, in which the climate related risks and opportunities are reviewed and considered.</li><li>• Direct updates to the Board as required.</li></ul> <p>Given the importance of the sustainability agenda to the longer-term strategy of the Group, we are currently looking at enhancing the governance structure in this area.</p>
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# BOPARAN HOLDINGS LIMITED

## SUSTAINABILITY REPORT

### Climate-Related Financial Disclosures continued

#### 2. RISK MANAGEMENT

##### Disclose how the organization identifies, assesses, and manages climate-related risks.

Describe the Group's processes for identifying and assessing climate-related risks

The identification of climate-change risks incorporated both a top-down approach to identify the Group's principal risks and a bottom-up approach to identify specific operational risks. Risks and opportunities were identified at a divisional level and accumulated up at a Group level. Our assessment covered all geographies in which the Group operates, and we noted similar risk profiles across these geographies.

A broad set of sources were used to identify and understand potential climate-related risks and opportunities:

- Professional bodies and membership organisations such as the Institute for Environmental Management and Assessment (IEMA).
- Climate change publications and data.
- Emerging industry and academic reports.
- CFD guidance on potential risks and opportunities.
- Key external groups such as suppliers, and specialist consultants.
- Internal cross-functional risk management workshops.

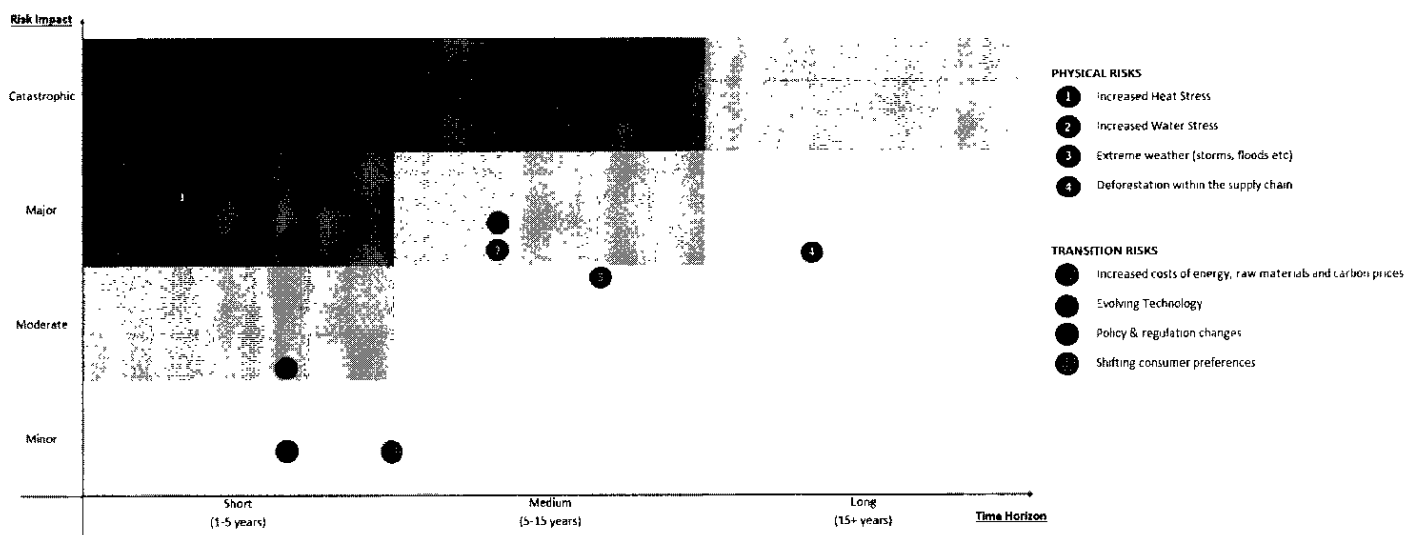
This approach has helped refine our understanding of the transitional and physical risks and opportunities presented by climate change. The work has identified the most material risks and opportunities based on likelihood, impact, and time horizon when they are expected to impact the Group.

We plan to formally update the risk assessment on an annual basis but remain vigilant to any emerging/evolving risks through our dedicated sustainability team.

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the Group's overall risk management

Our sites consider climate-related risks and opportunities continuously throughout the year, through climate-related risk self-assessments and monthly divisional calls with the Group's Sustainability team. These are also reviewed as part of the SAG committee each quarter. The outcome from these feeds into the wider internal control and risk management process and any significant climate related risks are captured as part of this for review and discussion at the various levels of management and the Board.

The Group has identified the overall impact of climate change as a principal risk. This risk considers physical risks caused by climate change and transition risks associated with the shift to a Net Zero business. The most significant areas of risk relate to the potential impacts from extreme weather events causing disruption to manufacturing and logistic operations, raw material availability, evolving technology and legislation and consumer demand leading to adjustment in product portfolio.



Risk Area	Minor	Moderate	Major	Catastrophic
Reputational	Customers aware and requesting response. May impact on customer targets. Minor adverse comments.	Failure of single customer targets, required to provide corrective action plan. Adverse local publicity.	Executive level customer involvement. Failure of multiple customer targets. Adverse national publicity.	Permanent relationship damaged. Loss of accounts and threat to future business. The Group's lenders withdraw support.
Operational	Reduced volume or short delay to operations during correction.	Operations impacted so only partial delivery to customer is possible.	Full lines stopped. Customers contacted to inform of delays of full deliveries.	Long term stoppage of full sections of operations. Major impact on customer delivery. Loss of customer accounts.

**BOPARAN HOLDINGS LIMITED**  
**SUSTAINABILITY REPORT**  
**Climate-Related Financial Disclosures continued**

**3. STRATEGY**

**Disclose the actual and potential impacts of climate-related risks and opportunities on the Group's businesses, strategy, and financial planning where such information is material.**

Describe the principal climate-related risks and opportunities the Group has identified and the timeframe over which they apply	<p><b>Risks:</b></p> <p>The impacts of climate change will vary over time and will depend on the success of actions we collectively take to limit climate change in future years. We therefore use three-time horizons to help understand the likely time when risks will impact our business and how they may change over time.</p> <ul style="list-style-type: none"> <li>• Short term - up to five years</li> <li>• Medium term – 5 to 15 years</li> <li>• Long term – beyond 15 years</li> </ul> <p>Risks that were found to be immaterial are excluded from our analysis but will continue to be monitored for future relevance.</p> <p><b>Opportunities:</b></p> <p>Our ultimate climate-related aim is to make sustainable food, contributing to a healthier planet. The ability to do this represents our strongest opportunity to become industry leaders in sustainability and benefit from the associated reputational and market benefits.</p> <p>Increasing demand and focus on renewable energy sources coupled with our expanding efforts in operational efficiency, creates favourable conditions to reduce costs at our sites. To achieve our targets, we will continue to look at sourcing the Group's grid electricity from renewable sources, as well as opportunities to invest in sustainability initiatives including but not limited to upgrading to more energy efficient equipment, installing solar panels and self-generating electricity.</p> <p><b>Mitigations</b></p> <p>For each of the risks and opportunities identified we have identified a series of mitigations the Group has already put in place or intends to put in place.</p>
Describe the actual and potential impact of the principal climate-related risks and opportunities on the Group's businesses and strategy	<p>Please see table on pages 32 to 33 for the output of the risk assessment.</p> <p>This year we have launched the 'Better For All' Plan to ensure sustainability is ingrained in everything we do. The strategy is underpinned by six pillars as described on page 24. Within each of these pillars, we have identified key areas that will reduce our effect on the climate as well as supporting our employees and the local communities in which we operate.</p> <p>Sustainability agenda items are included in most Board and management level meetings and key sustainability metrics are reported monthly by sites and are discussed in detail alongside financial, commercial, operational and people performance indicators.</p> <p>In the future we are looking to build a sustainability assessment, including the internal price of carbon, into our capital request process.</p>

**BOPARAN HOLDINGS LIMITED**  
**SUSTAINABILITY REPORT**  
**Climate-Related Financial Disclosures continued**

**3. STRATEGY CONTINUED**

An analysis of the resilience of the Group's business model and strategy, taking into consideration different climate-related scenarios	<p>Our preliminary scenario analysis considered a potential warming scenario of 2°C against the current conditions. A 2°C warming scenario was initially selected as this was consistent with reference material used and this level of warming provided a tangible scenario for internal stakeholders to understand and engage with. Workshops were held with groups of stakeholders across multiple functions. Reference materials used included the Climate Change Committee UK Climate Change Risk Assessment (2021) risk table scores, which provided an indication of risk magnitude at 2°C up to 2050. In addition, the WWF Water Risk Filter and Environment Agency flood maps were used to understand where sites might be subject to risk within the water basin.</p> <p>Physical and transition risks were grouped and scored on impact and time frame using the Group Environmental Management System severity matrix which classified impact as minor, moderate, major or catastrophic. Each risk was assessed in terms of operational, supply chain, people and regulatory impact. Time frame was considered as short, medium and long.</p>
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The results of this assessment are graphically displayed on page 29.

Our assessment confirmed that for physical risks:

- Heat stress is our most significant climate-related risk in the short term as this has the potential to impact on the animal's welfare and increases the risk of mortality. Mitigations have been put in place to manage high summer temperatures.
- Water stress, we see the risk increasing under the timeframes and scenarios analysed. We expect the cost of raw materials to increase as a result of climate change, although precise impacts are not yet clearly understood. Reductions in raw material quality and integrity are also anticipated as a result. We have implemented a horizon scanning and integrity programme as part of our resilience measures.
- Acute weather events, including floods, winds and storms, are projected to increase and to cause interruption to operations; while they are unlikely to have a significant impact on us in the short term, we are investing in site infrastructure to improve our resilience.
- Deforestation within the supply chain is anticipated to impact Group sourcing in the longer term through the effects of loss of key carbon sinks. We have already trialled protein alternatives to soy meal in poultry feed and will continue to explore feed materials that reduce our reliance on those linked to deforestation.

With the mitigation plans in our strategy (as shown in the table overleaf) and investment over time in adaptive measures to address heat, drought and deforestation, significant physical risks can be adequately managed, and therefore we believe our strategy to be resilient to these risks.

For transition risks, our assessment confirmed:

- The increased cost of energy, raw materials and carbon pricing is the most significant climate-related risk in the short term due to the immediate impact this has on the day-to-day operations. Our procurement team review contacts and our supply chain frequently, and ratchets are in place to minimise the financial impact.
- We see evolving technology a necessary requirement in our road to Net Zero. Around 10% of our Scope 1 emissions results from our use of CO<sub>2</sub> at our slaughter sites. As technology evolves in the medium term it will be important that we are able to utilise technology more effectively in our operations.
- We expect policy and regulation to increase in the short term, leading to increased business complexity and changes in key operational process. We anticipate bans or reductions for certain materials, and we will need to adapt our operations to comply with changes. Mitigations are being considered to reduce the impact on operations, and our technical and legal teams keep up to date with potential changes through various industry bodies.
- Shifting consumer preferences is also a risk in the short-medium term as society becomes more conscious about environmental impacts. We have considered the potential reputational risk if we fail to act or progress our 'Better For All' plan and will continue to improve our process and governance over environmental KPIs. We are also well placed with our Meals & Bakery division to produce a range of products, ranging from vegetarian and vegan, to the development of lower GHG products.

We recognise that capital investment will be necessary in ensuring our mitigations can continue to expand and strengthen our resilience to climate-related risks. In FY24 we will be looking at more effective ways to ensure environmental capital investment is highlighted and considered in order for us to meet our Net Zero goals. The scale and phasing of this investment will be assessed, in outline, in the development of our Net Zero strategy.









**BOPARAN HOLDINGS LIMITED**  
**SUSTAINABILITY REPORT**  
**Climate-Related Financial Disclosures continued**

(R) – Risk





(O) – Opportunity

(P) - Potential mitigations the Group is looking at, but not yet implemented

**PHYSICAL RISKS**

Description	Likelihood	Time horizon	Type of financial impact	Mitigations
<b>Increased heat stress</b> Disruption to operations due to extreme heat (R) High temperatures causing increased animal mortality and welfare issues (R) Health and safety of employees working during extreme heat (R)	 Very likely	Short, Medium & Long term	 Increased direct operating costs. Increased indirect operating costs. Increased capital expenditure.	- Risk assessment of all farms - Installation of misting systems on high risk farms - Lower stocking density on farms over the summer period, and in the longer term all year round (P) -- Training of farm staff
<b>Increased water stress</b> Reduced water availability for farming and operational use (R) Reduced availability, safety, quality and integrity of raw materials for food products and feed (R)	 Very likely	Medium & Long term	 Increased direct operating costs. Increased indirect operating costs. Increased capital expenditure.	- Contribute to DEFRA market monitoring group on supply chain risks - Internal horizon scanning and integrity programme. - Supplier management and approval protocols
<b>Extreme weather (storms, floods etc)</b> Intense rainfall leading to localised flash flooding at sites (R) Damage to buildings, vehicles, and power supply during storms (R) Health and safety of employees trying to access sites during extreme weather events (R)	 More likely than not	Medium & Long term	 Increased direct operating cost. Increased capital expenditure and repairs and maintenance.	- Targeted investment in upgrading infrastructure (P) - Health & safety communications to colleagues
<b>Deforestation within the supply chain</b> Use of soy meal in poultry feed, sourced from deforestation risk areas (R) Loss of supply chain could cause disruptions to operations (R)	 Likely	Long Term	 Increased direct operating costs.	- Member of UK Soy Manifesto - Collaboration with supply chain partners (P) - Research and trials with alternative feed protein sources (P)





**TRANSITION RISKS/OPPORTUNITIES**

Description	Likelihood	Time horizon	Type of financial impact	Mitigations
<b>Increased costs of energy, raw materials, and carbon prices</b> Raw material scarcity and climate mitigation measures along supply chain will increase costs (R) To encourage carbon reduction governments are expected to increase carbon pricing and taxations (R)	 Very Likely	Short, Medium & Long term	 Increased direct operating. Increased indirect operating costs.	- Commitment to setting Science Based Targets for GHG emissions reduction. - Road map to Net Zero in own operations and supply chain (P)
<b>Evolving technology</b> Initial cost of implementing lower emissions technology in operations, specifically our use of CO2 at slaughter sites and in heat production (R) Reduced operational costs due to energy efficiencies (O) Reduced exposure to volatile prices (O)	 Very likely	Medium & Long term	 Increased capital expenditure.	- ESOS audits and energy efficiency projects. - Building internal price of carbon into capital allocation request process (P)



**BOPARAN HOLDINGS LIMITED**  
**SUSTAINABILITY REPORT**  
**Climate-Related Financial Disclosures continued**

**TRANSITION RISKS/OPPORTUNITIES**

Description	Likelihood	Time horizon	Type of financial impact	Mitigations
<b>Policy &amp; regulation changes</b> Evolving legislation and regulation leading to increased business complexity and forced changes in key operational processes (R) Increase in reporting requirements around ESG matters, including carbon (R) Operational disruptions from changes in regulations e.g., refrigerant use and energy efficiency losses (R)	 Very likely	Short & Medium term	 £ Increased indirect operating costs.	- Quarterly sustainability report including horizon scanning and legislation changes.
<b>Shifting consumer preferences</b> Increase in dietary changes and preferences (R) Reputational risk as consumers and customers demand more information on our products (R) Well placed in the market with opportunities in our Meals & Bakery division and low impact protein (O)	 Likely	Short, Medium & Long term	 £ Increased revenue through demand for low-carbon products and services.	- Ability to produce alternative products through Meals & Bakery division (P) - Development of lower GHG emission products (P)

**4. METRICS AND TARGETS**






**Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.**

Describe the targets used by the Group to manage climate-related risks and opportunities and performance against targets	<p>We have several metrics and targets which allow us to measure and reduce our impact on the environment, as summarised on page 34.</p> <p>We constantly review our metrics and targets to ensure that the data reported is aligned with our strategy, targets, and provides the information needed for our business leaders to drive results. We also review other relevant data, such as market data and reports, as well as our customers' and suppliers' commitments and expectations, to provide an indicator on the status of our climate change-related risks and opportunities, our stakeholder expectations in the context of their own commitments, and changes to our strategy and planning processes required.</p> <p>We have set interim targets for our key environmental KPIs up to 2030, with the ambition of becoming Net Zero before 2040. We are in the process of submitting our Science Based Targets, with targets to be in place by the end of 2024.</p> <p>Throughout FY23 and for FY24 the Group has and will continue to put in place appropriate plan and incentives for the businesses to invest in reducing our impact by:</p> <ul style="list-style-type: none"> <li>• Setting a clear direction by committing to setting science-based targets, illustrating the methodology and the data throughout the business and in reporting.</li> <li>• Cascading site level in-year environmental targets through our strategy deployment process.</li> <li>• Laying out a roadmap to substitute fossil fuel-fired processes and facilities, including long-term capital allocation planning.</li> </ul>
Describe the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and their calculations	<p>Further details on our KPIs are included in the table on page 34. Given this is our first year reporting under CFD and the data challenges, as noted below, no comparatives are presented for the KPIs. We will provide commentary on trends and progress against our targets in our FY24 report.</p> <p>Our environmental data has been verified by our site and divisional finance teams, before being compiled by the Group Sustainability team and communicated for Board and management level reporting.</p> <p>We experienced a number of data collection challenges during the year as we standardised measurement methodologies and validated completeness of data inputs. Consequently, we have had to make a number of estimates with regards to the measurement of 'food produced for sale to external customer' in both our poultry businesses to align the data captured to methodology agreed. This will be an area of focus in FY24 as we look to improve our data collection processes and internal controls over the accuracy of the data.</p>

**BOPARAN HOLDINGS LIMITED**  
**SUSTAINABILITY REPORT**  
**Climate-Related Financial Disclosures continued**

**4. METRICS AND TARGETS CONTINUED**

We have set a range of metrics and targets in our Group sustainability strategy against our six pillars. The climate-related metric categories are outlined below:

Target	Risk Mapping	KPI	Calculation	FY23	Target measure (2030)	Required % to meet target
Net Zero carbon		Scope 1 emissions (tCO <sub>2</sub> e) <sup>4</sup>	GHG Protocol	118,806	84,259	29.1%
		Scope 2 emissions (tCO <sub>2</sub> e) <sup>4</sup>	GHG Protocol	56,699	40,097	29.3%
		Scope 3 emissions (tCO <sub>2</sub> e) <sup>1,4</sup>	GHG Protocol	-	-	-
Reduce food waste		Total food waste (tonnes) <sup>5</sup>	Total food waste from UK/ROI manufacturing sites (tonnes)	24,243	16,428	32.2%
		Food waste per tonne of product (tonnes) <sup>2,5</sup>	Total food waste from UK/ROI manufacturing sites (tonnes) Food produced for sale to external customer (tonnes)	0.047	-	-
Improve water use efficiency		Total Water usage (litres) <sup>4</sup>	Sum of all water from mains + abstraction (litres)	7,229,327,780	5,929,059,596	18.0%
		Water use per tonne of product (litres) <sup>2,4</sup>	Sum of all water from mains + abstraction (litres) Food produced for sale to external customer (tonnes)	9,767	-	-
Improve energy efficiency		Total energy usage (kWh) <sup>4</sup>	kWh energy used (gas, electricity, other fuels) at manufacturing/processing sites	620,790,581	436,308,513	29.7%
		Energy usage per tonne of product (kWh) <sup>2,4</sup>	kWh energy used (gas, electricity, other fuels) at manufacturing/processing sites Food produced for sale to external customer (tonnes)	839	-	-
Zero deforestation and conversion free soya		% soy meal for UK live poultry supply that is certified deforestation free mass balance <sup>3</sup>	Total soy meal certified deforestation free basis mass balance (tonnes) total soy meal in poultry feed (tonnes)	47.0%	100.0%	53.0%

<sup>1</sup> We are working with our suppliers to ensure that we can disclose Scope 3 emissions in the near future.

<sup>2</sup> Targets with respect to metrics per tonne of product are still being finalised, pending data collection issues being resolved.

<sup>3</sup> All soy meal is purchased to recognised deforestation free standards of which 47% is basis mass balance.

<sup>4</sup> The Group has manufacturing and processing sites within Europe. The KPIs above have been calculated inclusive of data where available from these sites, and where applicable has been converted using country specific freely available conversion factors.

<sup>5</sup> We have been unable to collect data from our European Poultry operations in respect of this measure. We intend to address this within FY24,

## BOPARAN HOLDINGS LIMITED

### DIRECTORS REPORT

The directors present their annual report and the audited financial statements for the 52 weeks ended 29 July 2023.

#### DIRECTORS

The directors of the Company who served during the period ended 29 July 2023 and up to the date of signing the financial statements are those listed on page 2.

The Group has made qualifying third-party indemnity provisions for the benefit of the directors which remain in force at the date of this report.

#### DIVIDENDS

No dividends have been declared or paid for the period ending 29 July 2023 or in the period to the date of signing of these financial statements. There were also no dividends declared or paid in respect of the period ending 30 July 2022.

#### STREAMLINED ENERGY & CARBON REPORTING

As a large private company, the Group is mandated to disclose its UK energy use and associated greenhouse gas emissions. Such metrics will differ from those presented within the CFD report as those also include our European operations. The Group has assessed greenhouse gas emissions using the 'GHG Reporting Protocol – A Corporate Accounting and Reporting Standard' and in accordance with the DEFRA's 'Environmental Reporting guidelines: including Streamlined Energy and Carbon Reporting requirements'. All data has been calculated from primary activity data to both kWh and CO<sub>2</sub>e using the 'UK Government GHG conversion factors for company reporting'.

#### Energy consumption

Financial period	Total UK energy consumption (kWh)	Total UK energy consumption (kWh) per tonne of product
FY23	504,809,700	1,005
FY22 <sup>1</sup>	526,218,762	980

#### Greenhouse gas emissions

Financial period	Total UK GHG emissions tonnes (CO <sub>2</sub> e)	Total UK GHG emissions tonnes (CO <sub>2</sub> e) per tonne of product
FY23	132,075	0.263
FY22 <sup>1</sup>	130,989	0.244

<sup>1</sup> As a result of the work done on CFD, in aligning methodologies and refining our data collection processes, prior year amounts have been restated.

Within FY23, all our UK manufacturing and processing sites completed the Phase 3 Energy Saving Opportunities Scheme (ESOS) audits. Consistent with last year's Phase 2 results, we have reviewed the reports detailing energy saving opportunities and engaged with third parties where appropriate. Energy efficiency measures taken at sites, both in the current year and prior year include switching to energy efficient lighting systems, improvements to efficiency of refrigeration and boilers, improvements to submetering, lagging of pipework and management of compressed air. These measures have been guided by individual ESOS recommendations at each site rather than a single Group wide approach. As well as the actions taken from the ESOS recommendations, we held our first Environmental Conference in February with colleagues from across the business participating. On the back of the conference, we launched an internal energy awareness campaign to help get our sites engaged in further reducing energy usage.

#### FINANCIAL RISK MANAGEMENT

The financial risks faced by the Group and the measures taken to reduce these risks are addressed within the Strategic report from page 14 and form part of this report by cross-reference.

#### DONATIONS

The Group made £34k of charitable donations during the period (2022: £15k) to charities which the directors deem it appropriate to support.

#### FUTURE DEVELOPMENTS

Details of the Group's future prospects can be found in the Strategic Report on pages 5 to 21 and form part of this report by cross-reference.

#### STAKEHOLDER ENGAGEMENT

A summary of how the Company has engaged with suppliers, customers and other third parties can be found on pages 17 to 20.

## **BOPARAN HOLDINGS LIMITED**

### **DIRECTORS REPORT**

#### **EMPLOYEES**

Details of the number of employees and related costs can be found in note 7.

The Group takes its responsibilities to its employees seriously and places great emphasis on optimising the contribution made by employees at all levels. The Group recognises the value of its employees and seeks to create an energetic, dynamic and responsive environment in which to work. It places considerable importance on communications with employees, which occur throughout the organisation on both a formal and informal basis. The Group's policy is to provide opportunities for active participation and personal development, with the goals of motivating individuals and helping them to enhance their skills and maximise their potential.

The Group is committed to:

- providing equality of opportunity for all existing and potential employees. It aims to treat all its employees fairly in every aspect of employment.
- ensuring that employees have access to information and training that enables them to contribute and participate fully in the Group's achievement of its objectives; and
- providing employees with clear and fair terms of employment and competitive remuneration packages.

The Company uses a variety of methods to enable its employees to understand the performance of the Group and of their own operating business unit. These include briefing groups, meetings with employee representatives, e-mail bulletins and in-house magazines. Employees are consulted on a wide range of issues affecting their current and future interests, and particularly on changes affecting the businesses in which they work.

Applications for employment by disabled persons are fully considered, bearing in mind the abilities of the applicant concerned. In the event of a colleague becoming disabled, every effort is made to ensure that their employment with the Group continues, and that appropriate training is arranged. It is the policy of the Group that training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### **RESEARCH AND DEVELOPMENT**

Throughout the period the Group invested across the business in food hygiene and product research in the development of new and enhanced products. The costs incurred in the period of £0.7m (2022: £0.6m) comprise all directly attributable costs necessary to create and produce new products which are both brand new in design and those being modified.

#### **DISCLOSURE OF INFORMATION TO AUDITOR**

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

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

#### **AUDITOR**

Deloitte LLP acted as auditor for the 52 weeks ended 29 July 2023 and have expressed their willingness to continue in office as auditor of the Company. A resolution proposing their reappointment will be submitted at the Company's annual general meeting.

#### **POST BALANCE SHEET EVENTS**

There have been no subsequent events since the balance sheet date.

#### **GOING CONCERN**

The Financial Statements have been prepared on a going concern basis as the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of 12 months from the date of approval of the financial statements. Details of the Board's assessment of the Group's 'base case', 'reasonable worst case', and 'reverse stress tests' are detailed in Note 1 to the financial statements.

Approved by the Board of directors and signed by a director on its behalf.

  
**C A Tomkinson**  
Director  
23 October 2023

## **BOPARAN HOLDINGS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **BOPARAN HOLDINGS LIMITED**

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOPORAN HOLDINGS LIMITED**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements of Boparan Holdings Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 29 July 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and Parent Company balance sheets;
- the consolidated and Parent Company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 35.

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).

### **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 Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **BOPARAN HOLDINGS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOPARAN HOLDINGS LIMITED**

#### **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 Group's and the Parent 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 Group or the Parent 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

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 considered the nature of the Group's industry and its control environment and reviewed the Group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's business sector.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included Health and Safety at work legislation, Data Protection Act, Food Hygiene Act, Grocery Supply Code of Practice and Sales of Goods Act.

We discussed among the audit engagement team, including significant component audit teams and relevant internal specialists such as tax, pensions and IT specialists, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- Manual adjustments to revenue: We have tested a sample of manual adjustments to revenue through agreement to supporting documentation to ensure they are appropriate.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

## **BOPARAN HOLDINGS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOPARAN HOLDINGS LIMITED**

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC.

#### **Report on other legal and regulatory requirements**

##### **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.

In the light of the knowledge and understanding of the Group and of the Parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report or the Directors' report.

##### **Matters on which we are required to report by exception**

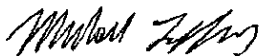
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in respect of these matters.

##### **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.



**Michael Jeffrey FCA (Senior statutory auditor)**

**For and on behalf of Deloitte LLP**

**Statutory Auditor**

**Leeds, United Kingdom**

**23 October 2023**



**BOPARAN HOLDINGS LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

	Note	52 weeks ended 29 July 2023 £m	52 weeks ended 29 July 2023 £m	52 weeks ended 30 July 2022 £m	52 weeks ended 30 July 2022 £m
<b>Turnover</b>	3		<b>3,033.9</b>		2,755.5
Cost of sales			<u>(2,665.2)</u>		<u>(2,401.0)</u>
<b>Gross profit</b>			<b>368.7</b>		354.5
Distribution costs			<b>(189.3)</b>		(185.2)
Administrative expenses:					
- before exceptional items			<b>(135.6)</b>	(131.5)	
- exceptional items	5		<b>(8.6)</b>	(3.0)	
			<u>(144.2)</u>		<u>(134.5)</u>
Operating profit:					
- before exceptional items			<b>43.8</b>	37.8	
- exceptional items	5		<b>(8.6)</b>	(3.0)	
<b>Operating profit</b>			<b>35.2</b>		34.8
Loss on disposal of operations	15		<b>(1.4)</b>		(20.5)
Share of operating profit from associate and joint venture	14		<b>0.5</b>		1.1
Net finance charge	4		<b>(62.3)</b>		(48.8)
<b>Loss before taxation</b>	3, 6		<b>(28.0)</b>		(33.4)
Taxation (charge) / credit	9		<b>(9.5)</b>		0.1
<b>Loss for the financial period</b>			<b>(37.5)</b>		(33.3)
<b>Loss for the period attributable to:</b>					
Non-controlling interest			<b>0.5</b>		0.6
Equity shareholders of the Company			<b>(38.0)</b>		(33.9)
			<u><b>(37.5)</b></u>		<u>(33.3)</u>

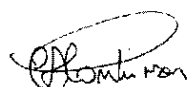
**BOPARAN HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

		52 weeks ended 29 July 2023 £m	52 weeks ended 30 July 2022 £m
	Note		
<b>Loss for the financial period</b>		<b>(37.5)</b>	<b>(33.3)</b>
Dividend paid to minority interest		-	(1.2)
Remeasurement of net defined benefit pension liability	30	(118.6)	109.7
Currency translation difference on foreign currency net investments		5.8	(2.9)
		(112.8)	105.6
Tax relating to components of other comprehensive income	9	25.6	(17.2)
<b>Other comprehensive (expense) / income for the period</b>		<b>(87.2)</b>	<b>88.4</b>
<b>Total comprehensive (expense) / income for the period</b>		<b>(124.7)</b>	<b>55.1</b>
<b>Total comprehensive (loss) / gain for the period attributable to:</b>			
Non-controlling interest		0.6	(0.6)
Equity shareholders of the Company		(125.3)	55.7
		<b>(124.7)</b>	<b>55.1</b>

**BOPARAN HOLDINGS LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 29 JULY 2023**

	Note	29 July 2023 £m	30 July 2022 £m
<b>Fixed assets</b>			
Intangible fixed assets	12	77.4	96.2
Tangible fixed assets	13	237.4	246.9
Investment in associate	14	7.1	6.3
Investment in joint venture	14	3.5	3.5
		<u>325.4</u>	<u>352.9</u>
<b>Current assets</b>			
Inventories	16	71.9	73.8
Debtors	17	175.2	181.7
Deferred tax asset due after more than one year	18	74.4	54.6
Cash at bank and in hand		38.6	36.5
		<u>360.1</u>	<u>346.6</u>
<b>Creditors: amounts falling due within one year</b>	19	<u>(418.1)</u>	<u>(389.1)</u>
<b>Net current liabilities</b>		<u>(58.0)</u>	<u>(42.5)</u>
<b>Total assets less current liabilities</b>		<b>267.4</b>	<b>310.4</b>
<b>Creditors: amounts falling due after more than one year</b>	20	<b>(526.5)</b>	<b>(522.9)</b>
<b>Provisions for liabilities</b>	22	<b>(2.9)</b>	<b>(6.1)</b>
<b>Net liabilities excluding pension liability</b>		<b>(262.0)</b>	<b>(218.6)</b>
Pension scheme net deficit	30	<u>(89.3)</u>	<u>(8.0)</u>
<b>Net liabilities</b>		<u><b>(351.3)</b></u>	<u><b>(226.6)</b></u>
<b>Capital and reserves</b>			
Called up share capital	25	-	-
Share premium account	25	132.6	132.6
Profit and loss account		<u>(486.3)</u>	<u>(361.0)</u>
<b>Shareholders' deficit</b>		<b>(353.7)</b>	<b>(228.4)</b>
Non-controlling interest		2.4	1.8
<b>Total capital employed</b>		<u><b>(351.3)</b></u>	<u><b>(226.6)</b></u>

The financial statements of Boparan Holdings Limited were approved by the board of directors and authorised for issue on 23 October 2023. They were signed on its behalf by:



**C A Tomkinson**  
**Director**  
**23 October 2023**  
**Company Number 03558065**

**BOPARAN HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**AS AT 29 JULY 2023**

	Equity attributable to equity shareholders of the company				
	Called-up Share Capital £m	Share Premium Account £m	Profit and Loss Account £m	Non- Controlling Interest £m	Total Capital Employed £m
<b>At 31 July 2021</b>	-	132.6	(416.7)	2.4	(281.7)
(Loss) / profit for the financial period	-	-	(33.9)	0.6	(33.3)
Remeasurement of net defined benefit pension liability (note 30)	-	-	109.7	-	109.7
Currency translation difference on foreign currency net investments	-	-	(2.9)	-	(2.9)
Dividend paid to minority interest	-	-	-	(1.2)	(1.2)
Tax relating to components of other <i>comprehensive income</i> (note 9)	-	-	(17.2)	-	(17.2)
Total comprehensive income / (loss)	-	-	55.7	(0.6)	55.1
<b>At 30 July 2022</b>	-	132.6	(361.0)	1.8	(226.6)
(Loss) / profit for the financial period	-	-	(38.0)	0.5	(37.5)
Remeasurement of net defined benefit pension liability (note 30)	-	-	(118.6)	-	(118.6)
Currency translation difference on foreign currency net investments	-	-	5.7	0.1	5.8
Tax relating to components of other <i>comprehensive income</i> (note 9)	-	-	25.6	-	25.6
<b>Total comprehensive (loss) / income</b>	-	-	(125.3)	0.6	(124.7)
<b>At 29 July 2023</b>	-	132.6	(486.3)	2.4	(351.3)

**BOPARAN HOLDINGS LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**AS AT 29 JULY 2023**

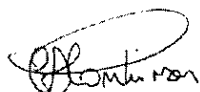
		52 weeks ended 29 July 2023 £m	52 weeks ended 30 July 2022 £m
	Note		
<b>Cash flows from operating activities</b>			
Cash generated from operations	26	51.8	57.8
Taxation paid		(7.6)	(3.9)
<b>Net cash flows from operating activities</b>		<u>44.2</u>	<u>53.9</u>
<b>Cash flows from investing activities</b>			
Purchase of intangibles		(0.9)	-
Purchase of tangible fixed assets		(38.5)	(26.2)
Increase in investment		(0.2)	-
Disposal of operations		20.1	(2.3)
<b>Net cash flows from investing activities</b>		<u>(19.5)</u>	<u>(28.5)</u>
<b>Cash flows from financing activities</b>			
Dividend paid to associate		-	(1.2)
Repayments of obligations under finance leases		(4.1)	(2.2)
Revolving credit facility drawdown		60.0	-
Revolving credit facility repaid		(25.0)	(25.0)
New bond finance		-	35.5
New loans received		-	10.0
Interest paid		(54.1)	(44.3)
<b>Net cash flows from financing activities</b>		<u>(23.2)</u>	<u>(27.2)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	26, 27	<u>1.5</u>	<u>(1.8)</u>
<b>Cash and cash equivalents at the beginning of the period</b>		36.5	38.8
Net increase / (decrease) in cash and cash equivalents during the period		1.5	(1.8)
Effect of foreign exchange rate changes		0.6	(0.5)
<b>Cash and cash equivalents at the end of the period</b>	28	<u>38.6</u>	<u>36.5</u>
<b>Reconciliation to cash at bank and in hand:</b>			
Cash at bank and in hand		38.6	36.5
<b>Cash and cash equivalents</b>		<u>38.6</u>	<u>36.5</u>

**BOPARAN HOLDINGS LIMITED**  
**COMPANY BALANCE SHEET**  
**AS AT 29 JULY 2023**

	Note	52 weeks ended 29 July 2023 £m	52 weeks ended 30 July 2022 £m
<b>Fixed assets</b>			
Investments	14	764.8	764.8
<b>Current assets</b>			
Debtors	17	432.6	457.6
Deferred tax asset due after more than one year		4.5	-
Cash at bank and in hand		14.6	-
		<u>451.7</u>	<u>457.6</u>
<b>Creditors: amounts falling due within one year</b>	19	<u>(1,179.7)</u>	<u>(1,153.1)</u>
<b>Net current liabilities</b>		<u>(728.0)</u>	<u>(695.5)</u>
<b>Total assets less current liabilities</b>		<b>36.8</b>	<b>69.3</b>
<b>Creditors: amounts falling due after more than one year</b>	20	<u>(9.5)</u>	<u>(9.1)</u>
<b>Net assets</b>		<u><b>27.3</b></u>	<u><b>60.2</b></u>
<b>Capital and reserves</b>			
Called up share capital	25	-	-
Share premium account	25	132.6	132.6
Profit and loss account		<u>(105.3)</u>	<u>(72.4)</u>
<b>Shareholders' funds</b>		<u><b>27.3</b></u>	<u><b>60.2</b></u>

The loss for the financial year dealt with in the financial statements of the parent Company was £32.9m (2022: loss of £14.7m).

The financial statements of Boparan Holdings Limited were approved by the board of directors and authorised for issue on 23 October 2023. They were signed on its behalf by:



**C A Tomkinson**  
**Director**  
**23 October 2023**

**BOPARAN HOLDINGS LIMITED**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**AS AT 29 JULY 2023**

	Equity attributable to equity shareholders of the company			
	Called-up Share Capital £m	Share Premium Account £m	Profit and Loss Account £m	Total Capital Employed £m
<b>At 31 July 2021</b>	-	132.6	(57.7)	74.9
Loss for the financial period	-	-	(14.7)	(14.7)
<b>Total comprehensive expense</b>	-	-	(14.7)	(14.7)
<b>At 30 July 2022</b>	-	132.6	(72.4)	60.2
Loss for the financial period	-	-	(32.9)	(32.9)
<b>Total comprehensive expense</b>	-	-	(32.9)	(32.9)
<b>At 29 July 2023</b>	-	<b>132.6</b>	<b>(105.3)</b>	<b>27.3</b>

# **BOPARAN HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE 52 WEEKS ENDED 29 JULY 2023**

#### **1. ACCOUNTING POLICIES**

##### **BASIS OF ACCOUNTING**

Boparan Holdings Limited is a company incorporated in the United Kingdom and prepares its financial statements under the Companies Act 2006. The Company is a private company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 2.

The nature of the Group's operations and its principal activities are set out in the strategic report.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling, because that is the currency of the primary economic environment in which the Company operates. These financial statements are also presented in pounds sterling.

##### *Parent company disclosure exemptions*

Boparan Holdings Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the following disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the parent company would be identical;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments and share-based payment arrangements have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the Group as a whole.

The Company is consolidated in the financial statements of its ultimate parent, Boparan Holdco Limited, which may be obtained from their registered office at Colmore Court, 9 Colmore Row, Birmingham, B3 2BJ.

##### **BASIS OF CONSOLIDATION**

The Group financial statements consolidate the financial statements of the Company and all of its subsidiary undertakings at 29 July 2023 using acquisition accounting.

The results of subsidiary undertakings acquired or disposed of during a financial period are included from, or up to, the effective date of an acquisition or disposal.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.



**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**1. ACCOUNTING POLICIES (CONTINUED)**

**GOING CONCERN**

In determining whether the Group's annual financial statements can be prepared on a going concern basis, the directors considered the Group's business activities, together with the factors likely to affect its future development, performance, and position. The review included the financial position of the Group, its cash flows, liquidity position, borrowing facilities and covenants.

The key factors considered by the directors were as follows:

- consideration of detailed forecasts prepared for the 12-month period from the date of approval of the annual financial statements and the application of sensitivities to those forecasts;
- the implications of the ongoing challenging economic environment and future uncertainties on the Group's revenues and profits and its ability to meet financial covenants;
- the impact of the competitive environment within which the Group's businesses operate;
- the potential actions that could be taken in the event that revenues are worse than expected, to ensure that operating profit and cash flows are protected;
- the Group's access to a committed bank facility and invoice discounting facility to meet day to day working capital requirements;
- the potential impact of cost inflation, including the volatility in the prices of energy and industrial gases and the recovery of these from customers;
- expected changes in customer demand patterns in response to rising inflation and energy costs; and
- the volatility in the wider economy and associated financial markets, and its potential impacts upon the cashflows and credit facilities for the business.

Consistent with previous periods the Group has prepared a base case and a reasonable worst-case scenario. Under the reasonable worst-case scenario, the base cash flows were sensitised for a 20% reduction in EBITDA and negative working capital overlays. Further, mitigating actions in the form of a reduction in discretionary capex spend were applied. Under both scenarios, no breach is identified in respect of either the cash or covenant headroom.

In applying a reverse stress test to the cash flows, which included further working capital mitigations available to the Group, the Directors have concluded the set of circumstances required to exhaust liquidity and breach covenant tests to be remote.

Finally, trading in the first two months of FY24 has been materially in line with the base cash flows prepared.

Having undertaken this assessment, the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of approval of these financial statements. Accordingly, this report to 29 July 2023 has been prepared on a going concern basis.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**1. ACCOUNTING POLICIES (CONTINUED)**

**TURNOVER**

Turnover is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, Value Added Tax (VAT) and other sales related taxes.

The Group provides trade discounts, primarily in the form of rebate arrangements or other incentive arrangements, to its customers. The arrangements can take the form of volume related rebates, marketing fund contributions, promotional fund contributions or lump sum incentives. The Group recognises revenue net of such discounts over the period to which the arrangement applies.

Sales of goods are recognised when goods are delivered and title has passed, and to the extent that sales are invoiced in advance of delivery, income is deferred.

**SUPPLIER REBATES**

The Group enters into rebate arrangements with its suppliers. The arrangements are primarily volume related. The supplier rebates received are recognised as a deduction from cost of sales (or administration or distribution costs if more appropriate), based on the entitlement that has been earned up to the balance sheet date, for each relevant supplier arrangement. The carrying value of inventory is reduced by any associated supplier rebate amount where the inventory has yet to be sold at the balance sheet date.

**NET FINANCING CHARGES**

Interest income is accrued by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at the effective interest rate applicable on the carrying amount.

The net impact of the unwinding of the discount rate on the net pension scheme liability is charged to interest payable in the profit and loss account.

**BORROWING COSTS**

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. The Group has not adopted the policy of capitalising borrowing costs into the cost of tangible fixed assets, and therefore all borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

**BORROWING COSTS FOR LOANS**

Financial liabilities are initially recognised at fair value, less any directly attributable transaction costs and subsequently stated at amortised cost using the effective interest method.

**RESEARCH AND DEVELOPMENT**

Research and development costs are expensed in the period to which they relate. Costs comprise all directly attributable costs necessary to create and produce new products which are both brand new in design and those being modified. Costs classified as research and development include raw materials, labour costs, artwork origination and market research directly attributable to developing the product.

**GOVERNMENT GRANTS**

Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

**EXCEPTIONAL ITEMS**

In order to ensure comparability between the Group's results year on year, the Directors present certain items separately in exceptional items, so that the reader of the accounts can better understand the performance of the business.

The decision to present an item as exceptional is a judgement of the Directors. The directors make their assessment based on the nature of the item, the cause of the occurrence and the scale of impact of that item on the reported performance. Certain items classified as exceptional are non-recurring or of such a significant size they would distort the results of any particular period.

# **BOPARAN HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE 52 WEEKS ENDED 29 JULY 2023**

#### **1. ACCOUNTING POLICIES (CONTINUED)**

##### **EXCEPTIONAL ITEMS CONTINUED**

Other items highlighted as exceptional such as restructuring costs can involve multi-year programmes; in such cases the umbrella programme to which the costs relate is also taken into account in this assessment of the presentation as exceptional.

The decision to present an item as exceptional is a judgement of the Directors. The directors make their assessment based on the nature of the item, the cause of the occurrence and the scale of impact of that item on the reported performance. Certain items classified as exceptional are non-recurring or of such a significant size they would distort the results of any particular period.

Other items highlighted as exceptional such as restructuring costs can involve multi-year programmes; in such cases the umbrella programme to which the costs relate is also taken into account in this assessment of the presentation as exceptional.

For further information on items disclosed in the period see note 5.

##### **FOREIGN CURRENCIES**

###### **(a) Functional and presentation currency**

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

###### **(b) Transactions and balances**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

###### **(c) Group companies**

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in profit and loss in the period in which they arise except for:

- exchange differences on transactions entered into to hedge certain foreign currency risks;
- exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (thereby forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

##### **TAXATION**

Current tax, both UK and overseas, is recognised for the amounts payable (or receivable) in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**1. ACCOUNTING POLICIES (CONTINUED)**

**TAXATION (CONTINUED)**

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less / (more) than the value at which it is recognised, a deferred tax liability / (asset) is recognised for the additional tax that will be paid / (avoided) in respect of that difference.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

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 the timing difference. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if:

- (a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**GOODWILL**

Goodwill arising on acquisition, representing the difference between the cost and the fair value of the net assets acquired in a business combination is capitalised in the period of acquisition and written off on a straight line basis over its useful economic life which is estimated to be twenty years. Provision is made for any impairment.

Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses.

Negative goodwill is credited to the profit and loss account in the periods in which the acquired non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair value of non-monetary assets acquired is credited to the profit or loss account in the period it is expected to benefit.

**INTANGIBLE ASSETS**

Software separately acquired, including computer software which is not an integral part of an item of hardware, is stated at cost less accumulated amortisation. Cost comprises purchase price and other directly attributable costs.

Software is recognised as an asset only if it meets the following criteria:

- an asset can be separately identified;
- it is probable that the asset created will generate future economic benefits;
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the development cost / acquisition cost of the asset can be reliably measured.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**1. ACCOUNTING POLICIES (CONTINUED)**

**SOFTWARE (CONTINUED)**

Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss

Costs relating to the development of software for internal use are capitalised once the recognition criteria outlined above are met.

Software is amortised over its expected useful life, which ranges from three to seven years. Amortisation commences when the asset is ready for use.

**TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets 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.

No depreciation is provided on land. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The principal annual rates used for other assets are:

Freehold properties	2% - 5%
Leasehold properties	2% - 20%
Plant, fixtures and motor vehicles	6.66% - 25%

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

**LEASED ASSETS**

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives.

The capital elements of the future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease, are similarly spread on a straight-line basis over the lease term.

**SALE AND LEASEBACK**

When a sale and leaseback transaction results in a finance lease no gain is immediately recognised for any excess of sales proceeds over the carrying amount of the asset. Instead, the proceeds are presented as a liability and subsequently measured at amortised cost using the effective interest method.

When a sale and leaseback transaction results in an operating lease, and it is clear that the transaction is established at fair value, any profit or loss is recognised immediately. If the sale price is below fair value, any profit or loss is recognised immediately unless the loss is compensated for by future lease payments at below market price. In that case, any such loss is amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is amortised over the period for which the asset is expected to be used.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**1. ACCOUNTING POLICIES (CONTINUED)**

**ONEROUS LEASES**

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease. This is released over the remaining lease term.

**IMPAIRMENT OF ASSETS**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

*Non-financial assets*

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. *Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment of goodwill is never reversed.*

*Financial assets*

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**INVESTMENTS**

In the Company balance sheet, investments in subsidiaries are measured at cost less impairment.

**ASSOCIATES**

In the Group financial statements, investments in associates are accounted for using the equity method. Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Group's share of the profit or loss and other comprehensive income of the associate.

**JOINT VENTURES**

In the Group financial statements, investments in joint ventures are accounted for using the equity method. The consolidated profit and loss account includes the Group's share of the joint venture's profits less losses, with the Group's share of the net assets of the joint venture being shown in the consolidated balance sheet.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**1. ACCOUNTING POLICIES (CONTINUED)**

**INVENTORIES**

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the FIFO (first-in, first-out) method and comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Provision is made for obsolete, slow moving or defective inventory where appropriate.

**FINANCIAL ASSETS AND LIABILITIES**

**FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**1. ACCOUNTING POLICIES (CONTINUED)**

**FINANCIAL INSTRUMENTS (CONTINUED)**

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

**DERIVATIVE FINANCIAL INSTRUMENTS**

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

**EQUITY INSTRUMENTS**

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received, net of direct issue costs.

**PROVISIONS**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at their present value and at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date.

**PENSION SCHEMES**

*Defined contribution pension schemes*

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.



**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**1. ACCOUNTING POLICIES (CONTINUED)**

**PENSION SCHEMES (CONTINUED)**

*Defined benefit pension schemes*

The Group operates a number of defined benefit pension schemes; the UK and Irish schemes are closed to future benefit accrual.

If the present value of the any defined benefit obligation is less than the fair value of plan assets at that date, such that the plan has a surplus, the plan surplus will be recognised as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

For defined benefit schemes, the amounts charged to operating profit are the costs arising from settlements and curtailments. They are included as part of staff costs.

The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the defined benefit liability) are recognised immediately in other comprehensive income. Costs of administering the closed defined benefit schemes are charged to administration costs.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. Full actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

*Post-retirement healthcare*

The Group provides post-retirement healthcare benefits to eligible employees who retired before 31 March 1999. The expected cost of this benefit has been computed using an accounting methodology similar to that for defined benefit pension schemes. Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions, are recognised in full in the period in which they occur. They are recognised outside the profit and loss account and presented in the statement of total recognised gains and losses. These obligations are valued annually for the purpose of the financial statements by independent qualified actuaries.

**DIVIDENDS**

Dividend distributions to the Company's shareholders are recognised in the Group and Company financial statements as follows:

- Final dividend: when approved by the Company's shareholders at the annual general meeting;
- Interim dividend: when paid by the Company.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

**RESERVES**

The Group and Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

**RELATED PARTY TRANSACTIONS**

The Group has taken advantage of the exemption under FRS 102 Section 33.1A 'Related Party Disclosures' and has not disclosed transactions or balances between wholly owned subsidiary undertakings.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

During the year, management reassessed the critical judgements and resolved that the following was no longer considered critical.

Derby / Sunderland agency agreement – this transitional services agreement was entered into as part of the transfer of the goodwill and certain assets of two manufacturing sites in the Poultry division to Bernard Matthews Foods (Derby) Limited and Bernard Matthews Food (Sunderland) Limited ("each entity"). The critical judgement related to whether the Group had any liability in respect of purchasing on behalf of each entity and the judgement was that the Group was able to avoid, legally or commercially, an outflow of benefit and therefore no liability was recognised. As this transitional agency agreement has ended, the judgement previously identified is not considered relevant in the current period.

**CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES**

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

*Impairment of goodwill, intangible and tangible assets*

The Group determined based on the criteria in FRS 102 that there are no indicators of impairment identified at the balance sheet date in respect of goodwill, intangibles and tangible assets. In reaching this judgement, management considered the external market and business unit performance. As this was the conclusion reached, management was not required to complete an assessment of the recoverable amount of the assets.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY CONTINUED**  
**KEY SOURCE OF ESTIMATION UNCERTAINTY**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

*Defined benefit pension schemes*

The Group operates a number of defined benefit pension schemes. The actuarial valuations of these schemes are reliant on a number of assumptions, including the discount rate, the inflation rate and the mortality rate. The assumptions applied as part of these valuations are based on forecasted trends and are closely monitored by the Group.

The most recent actuarial valuations of these schemes and the present value of the defined benefit obligations for the purpose of the financial statements were carried out at 29 July 2023 by independent qualified actuaries. The directors have conducted sensitivity analysis around the key assumptions; if the discount rate were to increase by 0.1%, this could decrease the pension scheme net deficit by approximately £10.0m. Further details of the principal actuarial assumptions used in calculating the defined benefit pension deficit are given in note 30.

*Recognition of deferred tax assets*

The Group recognised a deferred tax asset of £74.4m (2022: £54.6m) at the period end. The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. The total potential deferred tax asset of £229.0m (2022: £187.4m) relates to timing differences on the defined benefit pension schemes, fixed assets, defined contribution pension schemes, corporate interest restrictions, non trade losses and capital losses. Of this amount £74.4m (2022: £54.6m) has been recognised on the defined benefit pension scheme liability, future tax deductions for pension spreading, capital allowances and utilisation of non trade losses. Recognition involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. The Group has considered the impact and assumptions used in these calculations and has conducted sensitivity analysis to ensure the recognition of these deferred tax assets is appropriate. Details of deferred tax assets including amounts recognised at the period end can be found in note 18.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**3. TURNOVER AND SEGMENTAL INFORMATION**  
**TURNOVER**

	<b>52 weeks ended 29 July 2023 £m</b>	<b>52 weeks ended 30 July 2022 £m</b>
Poultry	<b>2,443.9</b>	2,189.3
Meals and Bakery	<b>590.0</b>	566.2
Total	<b><u>3,033.9</u></b>	<u>2,755.5</u>

All turnover relates to the Group's principal activity of food manufacturing.

**ADJUSTED EBIT**

	<b>Note</b>	<b>52 weeks ended 29 July 2023 £m</b>	<b>52 weeks ended 30 July 2022 £m</b>
Poultry		<b>35.9</b>	23.8
Meals and Bakery		<b>13.3</b>	19.0
Total Group Adjusted EBIT		<b><u>49.2</u></b>	<u>42.8</u>
Exceptional items	<b>5</b>	<b>(8.6)</b>	(3.0)
Share of profit from associate and joint venture	<b>14</b>	<b>(0.5)</b>	(1.1)
Pension scheme administration costs	<b>30</b>	<b>(4.9)</b>	(3.9)
Operating profit		<b>35.2</b>	34.8
Loss on disposal of operations	<b>15</b>	<b>(1.4)</b>	(20.5)
Share of profit from associate and joint venture	<b>14</b>	<b>0.5</b>	1.1
Net finance charge	<b>4</b>	<b>(62.3)</b>	(48.8)
Loss before taxation		<b><u>(28.0)</u></b>	<u>(33.4)</u>

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**3. TURNOVER AND SEGMENTAL INFORMATION (CONTINUED)**

In the current period the Group has moved from reporting adjusted EBITDA to adjusted EBIT. The directors consider EBIT to be a more appropriate profitability measure as it captures the impact of past capital expenditures. The restatement of the prior year is analysed as follows:

	<b>52 weeks ended 29 July 2023 £m</b>	<b>52 weeks ended 30 July 2022 £m</b>
<b>Adjusted EBITDA</b>		
Poultry	<b>76.0</b>	64.1
Meals and Bakery	<b>27.2</b>	35.4
	<b>103.2</b>	99.5
<b>Depreciation and amortisation</b>		
Poultry	<b>(40.1)</b>	(40.3)
Meals and Bakery	<b>(13.9)</b>	(16.4)
	<b>(54.0)</b>	(56.7)
<b>Adjusted EBIT</b>		
Poultry	<b>35.9</b>	23.8
Meals and Bakery	<b>13.3</b>	19.0
	<b>49.2</b>	42.8

	<b>Poultry £m</b>	<b>Meals and Bakery £m</b>	<b>Group £m</b>
<b>Other information - 52 weeks ended 29 July 2023</b>			
Depreciation	<b>29.8</b>	11.9	41.7
Impairment of tangible fixed assets	<b>0.5</b>	-	0.5
Write down of tangible fixed assets upon site closure	<b>4.8</b>	-	4.8
Amortisation of intangible assets	<b>10.3</b>	2.0	12.3

	<b>Poultry £m</b>	<b>Meals and Bakery £m</b>	<b>Group £m</b>
<b>Other information – 52 weeks ended 30 July 2022</b>			
Depreciation	<b>30.0</b>	14.1	44.1
Impairment of tangible fixed assets	<b>-</b>	3.8	3.8
Amortisation of intangible assets	<b>10.3</b>	2.3	12.6

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**3. TURNOVER AND SEGMENTAL INFORMATION (CONTINUED)**

			29 July 2023			30 July 2022
	Assets £m	Liabilities £m	Total £m	Assets £m	Liabilities £m	Total £m
Poultry	398.5	(270.2)	128.3	407.2	(279.8)	127.4
Meals and Bakery	158.4	(91.6)	66.8	183.8	(81.7)	102.1
<b>Operating assets / (liabilities)</b>	<b>556.9</b>	<b>(361.8)</b>	<b>195.1</b>	<b>591.0</b>	<b>(361.5)</b>	<b>229.5</b>
<b>Unallocated corporate assets:</b>						
Cash at bank and in hand	38.6	-	38.6	36.5	-	36.5
Corporate other receivables	12.9	-	12.9	17.1	-	17.1
Deferred tax assets	74.4	-	74.4	54.6	-	54.6
Corporate intangible assets	1.0	-	1.0	0.3	-	0.3
Derivatives	1.7	-	1.7	-	-	-
<b>Unallocated corporate liabilities:</b>						
Total borrowings (note 21)	-	(570.4)	(570.4)	-	(530.7)	(530.7)
Pension scheme net deficit	-	(89.3)	(89.3)	-	(8.0)	(8.0)
Current taxation liabilities	-	(0.5)	(0.5)	-	(5.7)	(5.7)
Corporate other payables	-	(14.8)	(14.8)	-	(19.8)	(19.8)
Derivatives	-	-	-	-	(0.4)	(0.4)
<b>Total assets / (liabilities)</b>	<b>685.5</b>	<b>(1,036.8)</b>	<b>(351.3)</b>	<b>699.5</b>	<b>(926.1)</b>	<b>(226.6)</b>

	Turnover by destination		Turnover by origin		Loss before tax		Net liabilities	
	52 weeks ended 29 July 2023 £m	52 weeks ended 30 July 2022 £m	52 weeks ended 29 July 2023 £m	52 weeks ended 30 July 2022 £m	52 weeks ended 29 July 2023 £m	52 weeks ended 30 July 2022 £m	29 July 2023 £m	30 July 2022 £m
United Kingdom	2,204.0	2,097.3	2,121.5	1,985.4	(36.5)	(65.2)	(435.6)	(309.2)
Rest of Europe countries	824.8	651.4	912.4	770.1	8.5	31.8	84.3	82.6
Rest of the World	5.1	6.8	-	-	-	-	-	-
<b>Total</b>	<b>3,033.9</b>	<b>2,755.5</b>	<b>3,033.9</b>	<b>2,755.5</b>	<b>(28.0)</b>	<b>(33.4)</b>	<b>(351.3)</b>	<b>(226.6)</b>

All unallocated costs and assets noted in the segmental reconciliations have been allocated to the United Kingdom in the above table, consistent with where the Group's head office is based.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**4. NET FINANCE CHARGE**

	<b>52 weeks ended 29 July 2023 £m</b>	<b>52 weeks ended 30 July 2022 £m</b>
<b>Interest income and expense</b>		
Interest payable on loans and overdrafts	(62.2)	(46.6)
Interest on finance leases	(0.3)	(0.3)
	<u>(62.5)</u>	<u>(46.9)</u>
<b>Other finance costs</b>		
Exchange loss	(0.2)	-
Net credit / (charge) on defined benefit pension liability	0.4	(1.9)
<b>Net finance charge</b>	<u>(62.3)</u>	<u>(48.8)</u>

**5. EXCEPTIONAL ITEMS**

	<b>52 weeks ended 29 July 2023 £m</b>	<b>52 weeks ended 30 July 2022 £m</b>
Redundancy, disruption and closure costs (inclusive of asset write downs)	9.1	(1.4)
Project costs	0.2	0.6
Impairment of tangible fixed assets	-	3.8
Other	(0.7)	-
<b>Total exceptional items</b>	<u>8.6</u>	<u>3.0</u>

**Current Period**

During the period, the Group incurred £11.4m of costs, inclusive of asset write downs, relating to the closure of the poultry Llangefni site; £2.3m of unutilised provisions for redundancies, disruption and site closures were released.

Following on from the prior period further costs of £0.2m were incurred for Project Agile, a significant multi-year project to align Group management structures more closely with the underlying business units.

Unutilised claim provisions of £0.7m were also released.

**Prior Period**

During the prior period, the Group released unutilised provisions of £1.4m relating to redundancy, disruption and site closures now completed.

Costs of £0.6m were incurred for Project Agile.

The Group impaired £3.8m of tangible fixed assets at the Uttoxeter site.

The tax effect of the exceptional items on the amounts charged to the profit and loss account for taxation was:

	<b>52 weeks ended 29 July 2023 £m</b>	<b>52 weeks ended 30 July 2022 £m</b>
Tax credit on exceptional items	0.8	-
<b>Decrease in tax charge to profit and loss account</b>	<u>0.8</u>	<u>-</u>

The credit of £0.8m (2022: £nil) relates to a current tax charge of £nil (2022: £0.2m) and a £0.8m deferred tax credit (2022: £0.2m).

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**6. LOSS BEFORE TAXATION**

Loss before taxation is arrived at after charging / (crediting):

		<b>52 weeks ended 29 July 2023 £m</b>	<b>52 weeks ended 30 July 2022 £m</b>
	Note		
Auditor's remuneration for audit services		<b>0.8</b>	0.8
Operating lease rentals:			
- hire of plant and machinery		<b>11.4</b>	10.4
- other		<b>5.6</b>	5.3
Depreciation of tangible fixed assets:			
- owned	13	<b>39.9</b>	32.4
- leased	13	<b>1.8</b>	11.7
Impairment of tangible fixed assets			
- owned	13	<b>0.5</b>	3.8
Amortisation of goodwill	12	<b>12.3</b>	12.6
Impairment of stock		<b>0.7</b>	1.6
Research and development costs		<b>0.7</b>	0.6
Government grants			
- capital		-	(0.1)
- revenue		<b>(3.6)</b>	(3.9)
Loss on disposal of fixed assets		<b>0.6</b>	-
Pension scheme administration costs	30	<b>4.9</b>	3.9
Defined contribution pension costs	7	<b>13.7</b>	12.7

The analysis of auditor's remuneration is as follows:

	<b>52 weeks ended 29 July 2023 £'000</b>	<b>52 weeks ended 30 July 2022 £'000</b>
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	<b>30</b>	31
Audit of the Company's subsidiaries pursuant to legislation	<b>838</b>	779
<b>Total audit fees</b>	<b>868</b>	810
Corporate finance services	-	100
<b>Total non-audit fees</b>	-	100



**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**7. STAFF NUMBERS AND COSTS**  
**GROUP**

	<b>52 weeks ended 29 July 2023</b>	<b>52 weeks ended 30 July 2022</b>
<b>The average monthly number of employees (including directors) was:</b>	<b>Number</b>	<b>Number</b>
Production	<b>12,899</b>	13,135
Distribution	<b>296</b>	314
Administration	<b>1,802</b>	1,809
	<b>14,997</b>	15,258
<b>Staff costs (including directors), consists of:</b>	<b>£m</b>	<b>£m</b>
Wages and salaries	<b>395.9</b>	394.6
Social security costs	<b>42.7</b>	41.0
Defined contribution pension costs (note 30)	<b>13.7</b>	12.7
	<b>452.3</b>	448.3

In addition to the above, redundancy costs of £4.2m (2022: £0.2m) are included in exceptional items.

**COMPANY**

The Company has eight employees (2022: nine), all of whom fall within administration functions.  
The directors are remunerated through other Group companies.

**8. DIRECTORS' REMUNERATION**

	<b>52 weeks ended 29 July 2023 £m</b>	<b>52 weeks ended 30 July 2022 £m</b>
<b>Emoluments of Company's directors:</b>		
Salaries, bonuses and benefits	<b>4.9</b>	5.7
	<b>4.9</b>	5.7
<b>Emoluments of highest paid director:</b>		
Salaries, bonuses and benefits	<b>1.9</b>	3.1
	<b>1.9</b>	3.1

Bonuses are accruing to the directors based on pre-determined performance targets.  
One director (2022: one director) is a member of the money purchase pension scheme.

**Directors' advances, credits and guarantees**

There are no further transactions with directors during the period to disclose.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**9. TAXATION ON LOSS**

	<b>52 weeks ended 29 July 2023 £m</b>	<b>52 weeks ended 30 July 2022 £m</b>
<i>United Kingdom corporation tax</i>		
Current tax on income for the period	-	-
Adjustment in respect of prior periods	<u>0.4</u>	<u>(0.6)</u>
Total credit / (charge)	<u>0.4</u>	<u>(0.6)</u>
<i>Overseas taxation</i>		
Current tax on income for the period	(2.8)	(7.0)
Adjustment in respect of prior periods	<u>0.2</u>	<u>-</u>
Total charge	<u>(2.2)</u>	<u>(7.6)</u>
<i>Deferred taxation</i>		
Net origination of timing differences	(5.7)	9.2
Change in corporation tax rate	<u>(1.6)</u>	<u>(1.5)</u>
Total (charge) / credit	<u>(7.3)</u>	<u>7.7</u>
Current taxation	(2.2)	(7.6)
Deferred taxation	<u>(7.3)</u>	<u>7.7</u>
Tax (charge) / credit on loss	<u>(9.5)</u>	<u>0.1</u>
Tax relating to components of other comprehensive income	<u>25.6</u>	<u>(17.2)</u>
<b>Total tax credit / (charge) recognised in profit and loss and other comprehensive income</b>	<u><b>16.1</b></u>	<u><b>(17.1)</b></u>

Finance Bill 2021 was substantively enacted on 24 May 2021 with provisions to increase the corporation tax rate from 19% to 25% with effect from 1 April 2023. Accordingly, when calculating the deferred tax assets and liabilities as at 29 July 2023, all timing differences have been calculated using the current corporation tax rate of 25%.

There is no expiry date on timing differences, unused tax losses or tax credits.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**9. TAXATION ON LOSS (CONTINUED)**

The corporation tax charge is different to the standard UK corporation tax rate of 21.01% (2022: 19.00%). The differences are analysed below:

	<b>52 weeks ended 29 July 2023 £m</b>	<b>52 weeks ended 30 July 2022 £m</b>
<i>Current tax reconciliation</i>		
Loss before taxation	<b>(28.0)</b>	<b>(33.4)</b>
Taxation on loss at the standard UK corporation tax rate of 21.01% (2022: 19.00%)	<b>5.9</b>	<b>6.4</b>
<i>Effects of:</i>		
- Amortisation not deductible for tax purposes	<b>(2.1)</b>	<b>(1.9)</b>
- Expenses not deductible for tax purposes	<b>(5.2)</b>	<b>-</b>
- Income not taxable	<b>1.1</b>	<b>(3.7)</b>
- Gains on disposal subject to substantial shareholding exemption	<b>3.3</b>	<b>-</b>
- Differences between UK and overseas tax rates	<b>0.4</b>	<b>(0.4)</b>
- Tax rate differences	<b>(1.6)</b>	<b>(1.5)</b>
- Adjustment in respect of prior periods	<b>0.6</b>	<b>(0.4)</b>
- Deferred tax provided / (not provided)	<b>(11.9)</b>	<b>1.6</b>
<b>Tax (charge) / credit for the period</b>	<b>(9.5)</b>	<b>0.1</b>

**10. LOSS ATTRIBUTABLE TO THE COMPANY**

As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent Company. The loss attributable to the Company is disclosed in the footnote to the Company's balance sheet.

**11. DIVIDENDS ON EQUITY SHARES**

No dividends have been declared or paid for the period ending 29 July 2023.

There were also no dividends declared in respect of the period ending 30 July 2022.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**12. INTANGIBLE FIXED ASSETS**

GROUP	Goodwill £m	Software £m	Total £m
<b>Cost</b>			
At 31 July 2022	399.4	3.8	403.2
Additions	-	0.9	0.9
Reclassification	(91.7)	-	(91.7)
Disposal as a result of sale of operations (note 15)	(19.9)	-	(19.9)
Reclassification from tangible fixed assets (note 13)	-	0.4	0.4
Foreign currency translation	0.4	-	0.4
<b>At 29 July 2023</b>	<b>288.2</b>	<b>5.1</b>	<b>293.3</b>
<b>Amortisation</b>			
At 31 July 2022	303.7	3.3	307.0
Charge for the period	11.7	0.6	12.3
Reclassification	(91.7)	-	(91.7)
Disposal as a result of sale of operations (note 15)	(11.9)	-	(11.9)
Foreign currency translation	0.2	-	0.2
<b>At 29 July 2023</b>	<b>212.0</b>	<b>3.9</b>	<b>215.9</b>
<b>Net book value</b>			
<b>At 29 July 2023</b>	<b>76.2</b>	<b>1.2</b>	<b>77.4</b>
At 30 July 2022	95.7	0.5	96.2

There were £nil intangible fixed assets held by the Company (2022: £nil).

Amortisation charged during the period is recognised within administrative expenses in profit and loss.

The reclassification of £91.7m relates to the correction of prior year disposal analysis between cost and amortisation.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**13. TANGIBLE FIXED ASSETS**

**GROUP**

	Freehold Properties £m	Long/ Short Leasehold Properties £m	Plant, Fixtures and Motor Vehicles £m	Total £m
<b>Cost</b>				
At 31 July 2022	85.2	19.7	343.6	448.5
Additions	4.1	-	37.1	41.2
Disposals	(5.6)	-	(85.1)	(90.7)
Disposals as a result of sale of operations (note 15)	(8.4)	-	(37.2)	(45.6)
Reclassification to intangible fixed assets (note 12)	-	-	(0.4)	(0.4)
Foreign currency translation	2.0	-	6.6	8.6
<b>At 29 July 2023</b>	<b>77.3</b>	<b>19.7</b>	<b>264.6</b>	<b>361.6</b>
<b>Depreciation</b>				
At 31 July 2022	24.4	6.6	170.6	201.6
Charge for the period	4.6	0.6	36.5	41.7
Disposals	(5.6)	-	(78.7)	(84.3)
Disposals as a result of sale of operations (note 15)	(5.7)	-	(34.0)	(39.7)
Impairment	-	-	(0.5)	(0.5)
Foreign currency translation	0.6	-	4.8	5.4
<b>At 29 July 2023</b>	<b>18.3</b>	<b>7.2</b>	<b>98.7</b>	<b>124.2</b>
<b>Net book value</b>				
<b>At 29 July 2023</b>	<b>59.0</b>	<b>12.5</b>	<b>165.9</b>	<b>237.4</b>
At 30 July 2022	60.8	13.1	173.0	246.9

The net book value of tangible fixed assets includes £4.1m (2022: £8.9m) in respect of assets held under finance leases. Depreciation charged in the period on those assets amounted to £1.8m (2022: £11.7m).

During the year £0.5m (2022: £3.8m) of tangible fixed assets were impaired. Disposals includes £4.8m assets written down on closure of sites.

There were £nil fixed assets held by the Company (2022: £nil).

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**14. INVESTMENTS**

The parent Company and the Group have investments in the following subsidiary undertakings, associates, joint ventures and other investments.

\* Companies directly owned by Boparan Holdings Limited.

^ The Company's subsidiary 2 Sisters Food Group Limited owns 50% of the ordinary share capital of Hook 2 Sisters Limited.

+ For the period ending 29 July 2023 the following companies were entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies.

<b>Company Name</b>	<b>Principal Activity</b>	<b>Country of Incorporation</b>
2 Sisters Food Group Limited**	Chicken processing	England
2 Sisters Poultry Limited* <sup>1+</sup>	Chicken processing	Scotland
Amber Foods Limited* <sup>2</sup>	Chicken processing	Jersey
BH Acquisitions Limited**	Holding company	England
Boparan Finance plc*	Group financing	England
2 Sisters Fish Limited**	Non-trader	England
Cavaghan & Gray Limited <sup>+</sup>	Food processing	England
Convenience Foods Limited <sup>+</sup>	Food processing	England
F W Farnsworth Limited <sup>+</sup>	Food processing	England
Northern Foods Grocery Group Limited <sup>+</sup>	Dormant	England
Solway Foods Limited <sup>+</sup>	Food processing	England
Hook 2 Sisters Limited <sup>4^</sup>	Chicken growing	England
2 Sisters Europe B.V.* <sup>5</sup>	Holding company	Netherlands
2 Sisters Hamrol Sp. Z.o.o.* <sup>6</sup>	Chicken processing	Poland
2 Sisters Storteboom B.V.* <sup>5</sup>	Chicken processing	Netherlands
Noblesse Proteins Investments B.V.* <sup>7</sup>	Chicken processing	Netherlands
Storteboom Agri B.V.* <sup>5</sup>	Chicken processing	Netherlands
Cavaghan & Gray Group Limited <sup>+</sup>	Holding company	England
Beverley House Food Group Limited <sup>3</sup>	Holding company	Republic of Ireland
Northern Foods Limited <sup>+</sup>	Holding company	England
Solway Foods Holdings Limited <sup>+</sup>	Holding company	England
R & K Wise Limited <sup>+</sup>	Pension holder	England
2 Sister Food Services Limited**	Non-trader	England
Beverley House (9000) Limited <sup>+</sup>	Non-trader	England
BH9000 (Jersey) Limited <sup>11</sup>	Non-trader	Jersey
Beverley House Investments Limited <sup>+</sup>	Non-trader	England
Boparan Foods Limited**	Non-trader	England
Challenger Foods Limited <sup>+</sup>	Non-trader	England
Dreamphoto Limited <sup>+</sup>	Non-trader	England
Dreamplayer Limited <sup>+</sup>	Non-trader	England
Hulcay Limited <sup>+9</sup>	Non-trader	Cayman Islands
Island Wharf (100) Limited <sup>+</sup>	Non-trader	England
Island Wharf (300) Limited <sup>+</sup>	Non-trader	England

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**14. INVESTMENTS (CONTINUED)**

<b>Company Name</b>	<b>Principal Activity</b>	<b>Country of Incorporation</b>
John Rannoch Limited <sup>+</sup>	Non-trader	England
Joseph Mitchell (Letham) Limited <sup>1+</sup>	Non-trader	Scotland
Lloyd Maunder Limited <sup>+</sup>	Non-trader	England
Melwood Investments Limited <sup>+</sup>	Non-trader	England
Storteboom UK Limited <sup>+12</sup>	Chicken processing	England
Buxted Chicken Limited (formerly known as Dressadmire Limited) <sup>+</sup>	Non-trader	England
Ethnic Cuisine Limited <sup>+</sup>	Non-trader	England
Farnsworth Investments Limited <sup>+</sup>	Non-trader	England
Beverley House Foods (Boyle) Limited <sup>3</sup>	Non-trader	Republic of Ireland
Beverley House Foods Portumna Limited <sup>3</sup>	Non-trader	Republic of Ireland
Beverley House Group Services Limited <sup>3</sup>	Non-trader	Republic of Ireland
Beverley House Holdings ApS <sup>8</sup>	Non-trader	Denmark
Norcay Limited <sup>+9</sup>	Non-trader	Cayman Islands
Northern Foods American Holdings Limited <sup>+</sup>	Non-trader	England
Northern Foods Finance Limited <sup>+</sup>	Non-trader	England
Poldy's Fresh Foods Limited <sup>3</sup>	Non-trader	Republic of Ireland
Scot-Lad Limited <sup>1+</sup>	Non-trader	Scotland
2 Sisters Premier Division Limited <sup>++</sup>	Dormant	England
Billcrest Products Limited <sup>3</sup>	Dormant	Republic of Ireland
Century Way (Number One) Limited <sup>+</sup>	Dormant	England
Century Way Dale Limited <sup>+</sup>	Dormant	England
George Payne & Co Limited <sup>+</sup>	Dormant	England
Hortonwood Bakeries Limited <sup>+</sup>	Dormant	England
Mitchell (Game) Limited <sup>1+</sup>	Dormant	Scotland
Montgomery Bell Limited <sup>10+</sup>	Dormant	Northern Ireland
Silverbeach Limited <sup>11</sup>	Dormant	Jersey
Swiss Milk Products Limited <sup>+</sup>	Dormant	England
Todayultra Limited <sup>+</sup>	Dormant	England
Walter Holland & Sons Limited <sup>+</sup>	Dormant	England

Other than those investments listed on page 73 and below, the Company and the Group own 100% of the ordinary share capital and voting rights of all the companies above.

The Company's subsidiary 2 Sisters Europe B.V. owns 96% of the ordinary share capital of 2 Sisters Hamrol Sp. Z.o.o.

Hortonwood Bakeries Limited and Montgomery Bell Limited were both dissolved after the reporting period.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**14. INVESTMENTS (CONTINUED)**

The registered address of all undertakings is Trinity Park House, Trinity Business Park, Fox Way, Wakefield, West Yorkshire, WF2 8EE unless otherwise stated.

Registered office:

<sup>1</sup> George Street, Coupar Angus, Blairgowrie, Perthshire, PH13 9LU

<sup>2</sup> No2, The Forum, Grenville Street, St Helier, Jersey, JE1 4HH

<sup>3</sup> DHKN, Galway Financial Services Centre, Moneenageisha Road, Galway, County Galway, Ireland

<sup>4</sup> Cote, Bampton, Oxfordshire, OX18 2EG

<sup>5</sup> Post Box 42, Voorthuizerstraat 148, NL-3881, Putten, The Netherlands

<sup>6</sup> Kotowo 1A, 62-066 Granowo, Poland

<sup>7</sup> Ambachtsweg 7, NL-9418, TW Wijster, The Netherlands

<sup>8</sup> Harbour House, Sundkrogsgade 21, 2100 Copenhagen, Denmark

<sup>9</sup> PO Box 309, Ugland House, South Church Street, Grand Cayman, Cayman Islands

<sup>10</sup> 19 Bedford Street, Belfast, Northern Ireland, BT2 7EJ

<sup>11</sup> IFC 5, St Helier, Jersey, JE1 1ST

<sup>12</sup> C/O Sobell Rhodes LLP, The Kinetic Centre, Theobald Street, Elstree, Borehamwood, Hertfordshire, WD6 4PJ, United Kingdom



**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**14. INVESTMENTS (CONTINUED)**

COMPANY	Shares £m	Total £m
<b>Cost</b>		
At 30 July 2022 and 29 July 2023	786.6	786.6
<b>Provisions for impairment</b>		
At 30 July 2022 and 29 July 2023	21.8	21.8
<b>Carrying value at 29 July 2023</b>	<b>764.8</b>	<b>764.8</b>

Provisions for impairment are made where it is deemed the carrying value of the investment will not be recovered. The directors consider the value of investments to be supported by their underlying assets and future cash flows.

GROUP	Associate £m	Joint Venture £m	Total £m
At 30 July 2022	6.3	3.5	9.8
Increase in investment	0.2	-	0.2
Share of retained profit for the period	0.5	-	0.5
Translation difference	0.1	-	0.1
<b>At 29 July 2023</b>	<b>7.1</b>	<b>3.5</b>	<b>10.6</b>

The Group's share of retained profit for the period is in relation to continuing operations.

**Investment in associate**

The Company's subsidiary 2 Sisters Europe BV holds a 27.54% (2022: 26.09%) interest in Noblesse Proteins Investments B.V., a company incorporated in The Netherlands.

The amount shown in the consolidated balance sheet represents the amount invested and the Group's share of Noblesse Proteins Investments B.V. post tax profits.

**Investment in joint venture**

The Company's subsidiary 2 Sisters Food Group Limited owns 50% of the ordinary share capital of Hook 2 Sisters Limited.

The amount shown in the consolidated balance sheet represents the amount invested and the Group's share of Hook 2 Sisters Limited's post tax profits.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**15. SALE OF OPERATIONS**

On 1 April 2023 the Group sold its 100% interest in the ordinary share capital of Spice Holdco Limited and Portumna Pastry Limited to Boparan Manufacturing Group Limited, a related company. These companies reported a combined profit of £3.4m up to the date of disposal. The £21.6m consideration has been settled in full.

	<b>£m</b>
Fixed assets (note 13)	5.9
Current assets	7.5
Cash	0.3
<b>Net Assets</b>	<b><u>13.7</u></b>
Goodwill (note 12)	8.0
Transaction costs	1.3
Loss on disposal	<u>(1.4)</u>
<b>Sales proceeds</b>	<b><u>21.6</u></b>
<b>Satisfied by:</b>	
<b>Cash and cash equivalents</b>	<b><u>21.6</u></b>

**52 weeks ended 30 July 2022**

On 9 October 2021 the Group announced the transfer of the goodwill and certain assets of two manufacturing sites in the Poultry division to Bernard Matthews Foods (Derby) Limited and Bernard Matthews Foods (Sunderland) Limited, both are related companies. The reverse consideration was satisfied by the transfer of finished goods. The loss after tax up to the date of disposal was £5.1m.

On 12 February 2022 the Group announced the sale of trade, assets and the Uttoxeter site for a total consideration of £1 to Elkes Biscuits Limited and Amber Real Estate Investments (Industrial) Limited respectively, companies related by virtue of common control. The loss after tax up to the date of disposal was £3.2m.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**16. INVENTORY**

	GROUP	
	29 July 2023 £m	30 July 2022 £m
Raw materials and consumables	22.1	23.6
Work in progress	8.5	8.0
Finished goods and goods for resale	41.3	42.2
	<u>71.9</u>	<u>73.8</u>

In the opinion of the directors, the carrying value of inventory is not materially different to the replacement cost.

There was £nil inventory held by the Company at the period end (2022: £nil).

**17. DEBTORS**

	GROUP		COMPANY	
	29 July 2023 £m	30 July 2022 £m	29 July 2023 £m	30 July 2022 £m
<b>Amounts falling due within one year:</b>				
Trade debtors	102.4	114.5	-	-
Amounts owed by related parties (note 32)	12.1	15.3	-	-
Amounts owed by joint ventures (note 32)	-	3.3	-	-
Amounts owed by associate (note 32)	0.6	0.3	-	-
Other debtors	45.6	40.3	-	-
Prepayments and accrued income	9.5	8.0	-	-
Corporation tax	-	-	10.2	6.8
Derivatives (note 24)	1.7	-	-	-
<b>Amounts falling due after more than one year:</b>				
Amounts owed by joint ventures (note 32)	3.3	-	-	-
Amounts owed by Group undertakings	-	-	422.4	450.8
	<u>175.2</u>	<u>181.7</u>	<u>432.6</u>	<u>457.6</u>

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**18. DEFERRED TAX ASSET**

	<b>29 July 2023 £m</b>	30 July 2022 £m
Deferred tax asset at the start of the period	54.6	64.1
Current period (charge) / credit to profit and loss account	(7.3)	7.7
Current and prior period credit / (charge) to other comprehensive income	25.6	(17.2)
Reclassification of R&D expenditure credit	1.5	-
<b>Deferred tax asset at the end of the period</b>	<b>74.4</b>	<b>54.6</b>

Deferred tax assets / (liabilities) are recognised at the rate applicable at the time the underlying asset / (liability) is expected to reverse, and are analysed as follows:

	<b>29 July 2023 £m</b>	30 July 2022 £m
Accelerated capital allowances	37.8	45.2
Defined benefit pension scheme	22.2	-
Short term timing differences (including pension spreading)	8.4	9.4
Losses	4.5	-
Reclassification of R&D expenditure credit	1.5	-
	<b>74.4</b>	<b>54.6</b>

The Company has deferred tax assets of £4.5m (2022: £nil) in respect of losses that are included within the Group deferred tax asset of £74.4m (2022: £54.6m).

No deferred tax asset has been recognised on balances totalling £618.2m at 29 July 2023 (2022: £534.8m) as it is uncertain whether these will be utilised against future taxable profits, gains or interest capacity. Of this, £161.4m (2022: £159.6m) relates to capital losses, £3.8m (2022: £nil) relates to losses, £207.1m (2022: £162.3m) relates to accelerated capital allowances, £1.0m relates to short term timing differences (2022: £10.2m) and £244.9m (2022: £202.7m) relates to corporate interest expense carried forward as at 29 July 2023. The Group's unrecognised deferred tax asset on these balances at 25% would be £154.6m (2022: £133.7m).

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	GROUP		COMPANY	
	29 July 2023 £m	30 July 2022 £m	29 July 2023 £m	30 July 2022 £m
Obligations under finance leases (note 21)	3.4	3.2	-	-
Bond interest accrual (note 21)	5.4	5.8	-	-
Other borrowings interest accrual (note 21)	0.2	-	-	-
Short term borrowings (note 21)	35.0	-	35.0	35.6
Trade creditors	201.9	189.8	-	-
Amount owed to group undertakings	-	-	1,144.5	1,117.3
Amount owed to related parties (note 32)	8.5	10.9	-	-
Amount owed to joint venture (note 32)	49.7	68.2	-	-
Amounts owed to associate (note 32)	1.2	1.0	-	-
Corporation tax	0.5	5.7	-	-
Other taxation and social security	10.0	10.4	-	-
Other creditors	8.9	6.8	-	-
Accruals and deferred income	93.1	86.6	0.2	0.2
Derivatives	-	0.4	-	-
Government grants	0.3	0.3	-	-
	<b>418.1</b>	<b>389.1</b>	<b>1,179.7</b>	<b>1,153.1</b>

**20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	GROUP		COMPANY	
	29 July 2023 £m	30 July 2022 £m	29 July 2023 £m	30 July 2022 £m
Obligations under finance leases (note 21)	4.5	5.9	-	-
Bond notes and other borrowings (note 21)	521.9	515.8	9.5	9.1
Accruals and deferred income	-	0.1	-	-
Government grants	0.1	1.1	-	-
	<b>526.5</b>	<b>522.9</b>	<b>9.5</b>	<b>9.1</b>

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**21. BORROWINGS**

	GROUP	
	29 July 2023 £m	30 July 2022 £m
Bond notes	525.0	525.0
Bond discount	(8.5)	(12.1)
Bond interest accrual (note 19)	5.4	5.8
Unamortised prepaid bond fees	(4.2)	(6.2)
<b>Bond notes at amortised cost (note 23)</b>	<b>517.7</b>	<b>512.5</b>
Other borrowings	45.0	10.0
Other borrowings interest accrual (note 19)	0.2	-
Unamortised prepaid borrowing fees	(0.4)	(0.9)
<b>Total other borrowings (note 23)</b>	<b>44.8</b>	<b>9.1</b>
Obligations under finance leases (note 23)	7.9	9.1
<b>Total borrowings (note 28)</b>	<b>570.4</b>	<b>530.7</b>
Due within one year	44.0	9.0
Due after more than one year	526.4	521.7
	<b>570.4</b>	<b>530.7</b>
<b>Bond notes and other borrowings:</b>		
Within one year or less or on demand (note 19)	40.6	5.8
More than one year but not more than five years (note 20)	521.9	515.8
	<b>562.5</b>	<b>521.6</b>
<b>Obligations under finance leases:</b>		
Within one year or less or on demand (note 19)	3.4	3.2
More than one year but not more than two years (note 20)	2.3	3.3
More than two years but not more than five years (note 20)	2.2	2.6
	<b>7.9</b>	<b>9.1</b>
<b>Total borrowings</b>	<b>570.4</b>	<b>530.7</b>

The bonds comprise of £525m Senior Loan Notes due November 2025 at an interest rate of 7.625%. The Group has an £80m super senior secured Revolving Credit Facility maturing in May 2025, and a term loan of £10m maturing May 2025.

The RCF balance drawn at 29 July 2023 was £35.0m (2022: £nil). Interest on RCF drawings is calculated with reference to SONIA plus an applicable margin not expected to change within the next 12 month period. In addition, a commitment fee is charged for the undrawn amount. The principal subsidiaries are guarantors to the facilities.

The Company or its affiliates may from time to time seek to retire or purchase the Company's outstanding debt. Such retirements or repurchases, if any, may depend on prevailing market conditions, the Company's liquidity requirements, contractual restrictions and other factors.

Finance leases are secured over the assets to which they relate.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**22. PROVISIONS FOR LIABILITIES**

	<b>Onerous Lease £m</b>	<b>Restructuring £m</b>	<b>Other £m</b>	<b>Total £m</b>
At 30 July 2022	1.9	0.7	3.5	6.1
<b>Current period charge / (credit) to the profit and loss account:</b>				
- exceptional	(1.8)	10.9	(0.7)	8.4
- non-exceptional	-	1.3	-	1.3
<b>Utilised in the period:</b>				
- exceptional	(0.1)	(11.4)	(0.2)	(11.7)
- non-exceptional	-	(1.2)	-	(1.2)
<b>At 29 July 2023</b>	<b>-</b>	<b>0.3</b>	<b>2.6</b>	<b>2.9</b>

Provisions of £2.9m (2022: £6.1m) comprise:

- £nil (2022: £1.9m) in respect of onerous leases costs at Haughley Park.
- £0.3m (2022: £0.7m) in relation to provisions for business disposal costs (see note 15) and site closure costs.
- £2.6m (2022: £3.5m) of other provisions which largely relate to potential employer liability and industrial illness claims, and property provisions. These provisions are materially expected to be settled within 12 months.

At the period end the Company had £nil provisions (2022: £nil).

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**23. FINANCIAL INSTRUMENTS**

The carrying values of the Group's financial instruments are summarised by category below:

	Note	29 July 2023 £m	30 July 2022 £m
<b>Financial assets</b>			
<i>Equity instruments measured at cost less impairment:</i>			
Fixed asset unlisted investments	14	10.6	9.8
<i>Measured at fair value through profit and loss:</i>			
Derivative financial asset / (liability)	24	1.7	(0.4)
<i>Debt instruments measured at amortised cost:</i>			
Trade debtors	17	102.4	114.5
Amounts owed by related parties	17	12.1	15.3
Amounts owed by joint ventures	17	3.3	3.3
Amounts owed by associate	17	0.6	0.3
Prepayments and accrued income	17	9.5	8.0
Cash and cash equivalents		38.6	36.5
		<u>178.8</u>	<u>187.3</u>
<b>Financial liabilities</b>			
<i>Measured at amortised cost:</i>			
Trade creditors	19	201.9	189.8
Amount owed to related parties	19	8.5	10.9
Amount owed to joint venture	19	49.7	68.2
Amounts owed to associate	19	1.2	1.0
Accruals and deferred income	19	93.1	86.6
Bond notes	21	517.7	512.5
Other borrowings	21	44.8	9.1
Obligations under finance leases	21	7.9	9.1
		<u>924.8</u>	<u>887.2</u>

The Group's income, expenses, gains and losses recognised in profit and loss in respect of financial instruments are summarised below:

	Note	52 weeks ended 29 July 2023 £m	52 weeks ended 30 July 2022 £m
<b>Interest expenses</b>			
Total interest expense for financial liabilities at amortised cost	4	62.5	46.9
		<u>62.5</u>	<u>46.9</u>
<b>Other expenses in respect of financial instruments</b>			
Profit recognised in the period relating to unlisted equity investments	14	0.5	1.1
Total foreign exchange (profit) / loss on financial liabilities measured at amortised cost	28	(0.4)	0.4
		<u>0.1</u>	<u>1.5</u>



**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**24. DERIVATIVE FINANCIAL INSTRUMENTS**

The Group has the following derivatives included at fair value in the balance sheet:

	Due within one year		Due after one year	
	29 July 2023 £m	30 July 2022 £m	29 July 2023 £m	30 July 2022 £m
<b>Derivatives accounted for at fair value through profit and loss:</b>				
<b>Assets</b>				
Forward foreign currency contracts (note 17)	<u>1.7</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>				
Forward foreign currency contracts (note 19)	<u>-</u>	<u>0.4</u>	<u>-</u>	<u>-</u>

The fair value of the forward currency contracts was calculated by reference to current forward exchange contracts with similar maturity profiles.

**Accounted for at fair value through profit or loss**

The following table details the forward foreign currency contracts outstanding at each period end.

	Average contractual exchange rate		Notional value		Fair value	
	2023	2022	2023 £m	2022 £m	2023 £m	2022 £m
<b>Buying EUR:</b>						
In less than 3 months	1.1503	1.1783	48.3	0.2	1.4	(0.4)
In 3 months to 1 year	1.1503	1.1783	14.4	-	0.3	-
			<u>62.7</u>	<u>0.2</u>	<u>1.7</u>	<u>(0.4)</u>

The Group has entered into contracts to purchase goods from suppliers in Europe and USA. The Group entered into forward foreign currency contracts to hedge the exchange rate risk arising from these anticipated future transactions. These forward exchange contracts were accounted for at fair value through profit and loss. £1.7m fair value gain (2022: £0.4m loss) was recognised through operating profit in the period.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**25. SHARE CAPITAL AND SHARE PREMIUM ACCOUNT**

	29 July 2023 £m	30 July 2022 £m
Allotted, called up and fully paid	-	-

The nominal value of the share capital issued at the end of the period was £7,730 (2022: £7,730).

The classes of ordinary share capital in issue at the start and the end of the period are shown below:

	No of Shares	Nominal Value	Price Paid	Issued Share Capital £m	Share Premium £m
Ordinary (1) shares of £0.01 each	500,800	£0.01	£0.01	-	-
Ordinary (2) shares of £0.01 each	2	£0.01	£487.16	-	-
Ordinary (3) shares of £0.01 each	12,316	£0.01	£487.17	-	6.0
Ordinary (4) shares of £0.01 each	225,799	£0.01	£487.15	-	110.0
Ordinary (5) shares of £0.01 each	20,527	£0.01	£487.16	-	10.0
Ordinary (6) shares of £0.01 each	13,548	£0.01	£487.16	-	6.6
	<b>772,992</b>			<b>-</b>	<b>132.6</b>

All tranches of ordinary shares issued have equal voting rights and the right to full participation in any dividends and returns of capital.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**26. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES**

		<b>29 July 2023 £m</b>	<b>30 July 2022 £m</b>
	<b>Note</b>		
Operating profit		<b>35.2</b>	34.8
Adjustments for:			
Depreciation	13	<b>41.7</b>	44.1
Amortisation of intangible assets	12	<b>12.3</b>	12.6
Defined benefit pension scheme administration costs	30	<b>4.9</b>	3.9
Exceptional items charged to operating profit	5	<b>8.6</b>	3.0
Grants and other non-cash movements		<b>0.2</b>	(0.4)
<b>Operating cash flow before movement in working capital</b>		<b>102.9</b>	98.0
 Increase in inventory		<b>(5.7)</b>	(18.3)
Increase in debtors		<b>(4.2)</b>	(11.6)
Increase in creditors and provisions		<b>7.2</b>	7.1
Cash impact of exceptional items		<b>(6.8)</b>	(1.1)
Payments made in respect of defined benefit pension schemes	30	<b>(41.6)</b>	(16.3)
<b>Cash generated from operations</b>		<b>51.8</b>	57.8

**27. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	<b>29 July 2023 £m</b>	<b>30 July 2022 £m</b>
Increase / (decrease) in cash	<b>1.5</b>	(1.8)
Cash inflow from debt and lease financing	<b>(30.9)</b>	(18.3)
<b>Change in net debt resulting from cash flows</b>	<b>(29.4)</b>	(20.1)
Amortisation of fees	<b>(6.1)</b>	(2.5)
Capital element of finance leases	<b>(2.7)</b>	-
Effect of foreign exchange rates	<b>0.4</b>	(0.4)
<b>Movement in net debt</b>	<b>(37.8)</b>	(23.0)
Net debt brought forward	<b>(488.4)</b>	(465.4)
Net debt carried forward	<b>(526.2)</b>	(488.4)

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**28. ANALYSIS OF NET DEBT**

	30 July 2022 £m	Cash Flow £m	Other Movements £m	Foreign Exchange £m	29 July 2023 £m
Cash balances	36.5	1.5	-	0.6	38.6
Debt due within one year	(5.8)	10.6	(45.4)	-	(40.6)
Debt due after more than one year	(515.8)	-	(6.1)	-	(521.9)
Finance leases	(9.1)	4.1	(2.7)	(0.2)	(7.9)
Total borrowings (note 21)	(530.7)	14.7	(54.2)	(0.2)	(570.4)
Interest accrual	5.8	(45.6)	45.4	-	5.6
	(524.9)	(30.9)	(8.8)	(0.2)	(564.8)
Net debt	(488.4)	(29.4)	(8.8)	0.4	(526.2)

Net debt comprises bonds, other borrowings and finance leases net of cash. These are stated at period end exchange rates, or hedged rates where there is an effective external hedge in place. The other movement of £6.1m on debt due after more than one year is amortisation of the prepayment of bond fees and other loan fees. In the balance sheet, the bond balance is shown net of the prepaid bond fees. Management monitor and view the net debt figure excluding prepaid fees and so it is added back into net debt in the table above.

During the period the Group entered into finance lease agreements with a capital value at the inception of the lease of £2.7m (2022: £3.5m).

In FY22 the Group placed £2.5m in escrow payable to the Northern Foods Retirement and Death Benefit Plan. At 29 July 2023 the balance was £nil (2022: £2.1m).

	31 July 2021 £m	Cash Flow £m	Other Movements £m	Foreign Exchange £m	30 July 2022 £m
Cash balances	38.8	(1.8)	-	(0.5)	36.5
Debt due within one year	(31.1)	65.7	(40.4)	-	(5.8)
Debt due after more than one year	(467.8)	(45.5)	(2.5)	-	(515.8)
Finance leases	(11.4)	2.2	-	0.1	(9.1)
Total borrowings (note 21)	(510.3)	22.4	(42.9)	0.1	(530.7)
Interest accrual	6.1	(40.7)	40.4	-	5.8
	(504.2)	(18.3)	(2.5)	0.1	(524.9)
Net debt	(465.4)	(20.1)	(2.5)	(0.4)	(488.4)

The other movement of £2.5m on debt due after more than one year is amortisation of the prepayment of bond fees.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**29. FINANCIAL COMMITMENTS**

**CAPITAL COMMITMENTS**

**GROUP**

There were capital commitments of £0.4m at 29 July 2023 (2022: £0.1m) provided for at the period end and capital commitments contracted for but not provided for of £6.0m (2022: £9.3m). These commitments related to the purchase of plant & fixtures.

**COMPANY**

There were no capital commitments provided for at the period end (2022: £nil) and also no capital commitments contracted for but not provided (2022: £nil).

**OPERATING LEASE COMMITMENTS**

**GROUP**

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

	<b>29 July 2023 £m</b>	<b>30 July 2022 £m</b>
<b>Land and buildings leases expiring:</b>		
Within one year	<b>4.6</b>	3.6
Between one and five years	<b>12.0</b>	11.5
After five years	<b>8.3</b>	10.3
	<b>24.9</b>	25.4
<b>Other leases expiring:</b>		
Within one year	<b>7.8</b>	5.4
Between one and five years	<b>9.0</b>	7.9
After five years	<b>-</b>	0.7
	<b>16.8</b>	14.0

**COMPANY**

Total future minimum lease payments under non-cancellable operating leases at the period end were £nil (2022: £nil).

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**30. PENSION ARRANGEMENTS**

**DEFINED CONTRIBUTION SCHEMES**

The Group contributes to defined contribution schemes for all qualifying employees. The total cost charged to income of £13.7m (2022: £12.7m) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans. At 29 July 2023 contributions of £1.2m (2022: £1.4m) due in respect of the current reporting period had not been paid over to the schemes.

**DEFINED BENEFIT SCHEMES**

The Group operates a number of defined benefit schemes for qualifying employees, principally the Northern Foods Pension Scheme, the R & K Wise Scheme, the Lloyd Maunder Limited Retirement Benefit and Life Assurance Scheme (collectively the Schemes) and Northern Foods Pension Builder (the Pension Builder) in the United Kingdom, the Green Isle Food Group Retirement and Death Benefit Plan (the Plan) in the Republic of Ireland and 2 Sisters Holland B.V pension arrangements in the Netherlands. Under the Schemes, the Pension Builder and the Plan, employees are entitled to retirement benefits based on pay and service. The Schemes, the Pension Builder and the Plan are funded schemes whilst the Group's Post-retirement medical benefit scheme is unfunded. The Schemes and the Plan are final salary schemes. The Pension Builder is a defined benefit scheme based on the career average principle. The assets of all the Schemes, the Pension Builder and the Plan are held in trustee administered funds separate from the finances of the Group. All UK and Irish schemes are closed to new entrants.

The Northern Foods Pension Scheme and Northern Foods Pension Builder Scheme were both closed to future accrual with effect from 1 November 2011. A similar proposal became effective for the Green Isle pension scheme from 31 October 2013.

The most recent actuarial valuations of the defined benefit schemes for the purpose of the financial statements and the present value of defined benefit obligations were carried out at 29 July 2023 by independent qualified actuaries. The present value of the defined benefit obligation was measured using the projected unit credit method.

It has been deemed appropriate by management to aggregate all pension schemes together in the disclosure notes below. Funding plans agreed to reduce the deficit (principally relating to the Northern Foods Pension Scheme) are discussed later in this note. Principal assumptions are disclosed for the Northern Foods Pension Scheme only on the basis that there are no significant differences between the assumptions used for the other schemes.

The principal assumptions used for the actuarial valuations of the Schemes were:

	<b>29 July 2023</b>	<b>30 July 2022</b>
Rate of increase in salaries	<b>n/a</b>	n/a
Inflation assumption	<b>3.16%</b>	3.15%
Discount Rate	<b>5.12%</b>	3.33%
Rate of increase in pension payments	<b>2.97%</b>	2.96%
Mortality	<b>CMI_2022</b>	CMI_2021

The Group has adopted the SAPS S3 Heavy tables with scaling factors appropriate for each section of the membership with the core CMI 2022 projections with a long-term rate of improvement of 1.00% (2022: 1.25%) per annum.

The life expectancy in years for a member aged 65 is as follows:

	<b>29 July 2023 (years)</b>	<b>30 July 2022 (years)</b>
Current pensioner - male	<b>19.6</b>	20.3
- female	<b>21.6</b>	22.4
Future pensioner - male	<b>20.1</b>	21.4
- female	<b>22.7</b>	24.0

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**30. PENSION ARRANGEMENTS (CONTINUED)**

**POST-RETIREMENT MEDICAL BENEFIT SCHEME**

Until 31 March 1999, Northern Foods Limited operated a post-retirement medical benefit scheme. The method of accounting, assumptions and the frequency of valuations are similar to those used for the defined benefit pension schemes detailed above. The main actuarial assumptions are the underlying medical cost inflation of 5.16% per annum (2022: 5.15%) and the discount rate of 5.12% per annum (2022: 3.33%).

Amounts recognised in the income statement in respect of the Group's defined benefit schemes and post-employment medical benefit scheme are as follows:

	<b>Defined benefit Pension schemes</b>		<b>Post-retirement Benefit schemes</b>		<b>Total retirement schemes</b>	
	<b>29 July 2023 £m</b>	<b>30 July 2022 £m</b>	<b>29 July 2023 £m</b>	<b>30 July 2022 £m</b>	<b>29 July 2023 £m</b>	<b>30 July 2022 £m</b>
Net interest (credit) / cost	(0.6)	1.9	-	-	(0.6)	1.9
Interest expense on effect of asset ceiling	0.2	-	-	-	0.2	-
Scheme administration expenses	3.3	1.8	-	-	3.3	1.8
<b>Charge to profit and loss account</b>	<b>2.9</b>	<b>3.7</b>	<b>-</b>	<b>-</b>	<b>2.9</b>	<b>3.7</b>
Actuarial loss / (gain)	119.1	(113.0)	(0.1)	-	119.0	(113.0)
Change in effect of asset ceiling (excluding interest income) (gain) / loss	(0.4)	3.3	-	-	(0.4)	3.3
<b>Recognised in other comprehensive income</b>	<b>118.7</b>	<b>(109.7)</b>	<b>(0.1)</b>	<b>-</b>	<b>118.6</b>	<b>(109.7)</b>
<b>Total loss / (gain) relating to defined benefit schemes</b>	<b>121.6</b>	<b>(106.0)</b>	<b>(0.1)</b>	<b>-</b>	<b>121.5</b>	<b>(106.0)</b>

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**30. PENSION ARRANGEMENTS (CONTINUED)**

Amounts recognised in the consolidated balance sheet in respect of the Group's defined benefit schemes and post-retirement medical benefit scheme are as follows:

	Defined benefit pension schemes		Post-retirement medical benefit scheme		Total retirement benefit schemes	
	29 July 2023	30 July 2022	29 July 2023	30 July 2022	29 July 2023	30 July 2022
	£m	£m	£m	£m	£m	£m
Present value of obligations	(888.1)	(1,107.5)	(0.3)	(0.4)	(888.4)	(1,107.9)
Fair value of scheme assets	799.1	1,099.9	-	-	799.1	1,099.9
<b>Net liability recognised in the balance sheet</b>	<b>(89.0)</b>	<b>(7.6)</b>	<b>(0.3)</b>	<b>(0.4)</b>	<b>(89.3)</b>	<b>(8.0)</b>

The net pension scheme deficit in the balance sheet is stated before deduction of the associated deferred tax asset of £22.2m (2022: £nil), with the deferred tax asset shown separately within current assets (note 18).

Movement in the present value of defined benefit obligations were as follows:

	Defined benefit pension schemes		Post-retirement medical benefit scheme		Total retirement benefit schemes	
	29 July 2023	30 July 2022	29 July 2023	30 July 2022	29 July 2023	30 July 2022
	£m	£m	£m	£m	£m	£m
Scheme liabilities at the start of the period	1,107.5	1,514.8	0.4	0.4	1,107.9	1,515.2
Interest cost	35.6	23.2	-	-	35.6	23.2
Actuarial gain	(205.1)	(375.6)	(0.1)	-	(205.2)	(375.6)
Benefits paid	(50.5)	(57.5)	-	-	(50.5)	(57.5)
Effect of asset ceiling	-	3.3	-	-	-	3.3
Exchange loss / (gain)	0.6	(0.7)	-	-	0.6	(0.7)
<b>Scheme liabilities at the period end</b>	<b>888.1</b>	<b>1,107.5</b>	<b>0.3</b>	<b>0.4</b>	<b>888.4</b>	<b>1,107.9</b>



**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**30. PENSION ARRANGEMENTS (CONTINUED)**

Movements in the fair value of scheme assets were as follows:

	<b>Defined benefit pension schemes</b>	
	<b>29 July 2023 £m</b>	<b>30 July 2022 £m</b>
Scheme assets at start of the period	<b>1,099.9</b>	1,387.1
Interest income	<b>36.2</b>	21.3
Contributions by the employer	<b>40.1</b>	14.1
Benefits paid	<b>(50.5)</b>	(57.5)
Administration expenses	<b>(3.3)</b>	(1.8)
Actuarial loss on scheme assets	<b>(324.2)</b>	(262.6)
Exchange gain / (loss)	<b>0.9</b>	(0.7)
<b>Fair value of scheme assets at the period end</b>	<b>799.1</b>	1,099.9

Contributions by the employer of £40.1m (2022: £14.1m) include £38.6m (2022: £12.6m) of funding, deferral and disposal contributions. £1.5m (2022: £1.5m) was paid in respect of administration expenses.

The Group has agreed the 2022 Triennial Valuation with the Northern Foods Pension Trustees which has resulted in a change in the schedule of contributions payable by the Group to the Scheme. The Group will make a total of £235m in contributions between April 2022 and September 2030. The phasing of the contributions will also change with payments of £8m in FY24, £16m in FY25, £17m in FY26, £18m in FY27, £23m in FY28, £47m in both FY29 and FY30, with the remainder paid in FY31.

The analysis of the scheme assets at the balance sheet date was as follows:

	<b>29 July 2023 £m</b>	<b>30 July 2022 £m</b>
Equities	<b>85.0</b>	145.4
Bonds	<b>872.1</b>	1,274.2
Cash	<b>(351.3)</b>	(493.8)
Hedge Funds	<b>179.9</b>	157.6
Other	<b>13.4</b>	16.5
<b>Total fair value of assets</b>	<b>799.1</b>	1,099.9

The other asset category includes derivatives and property assets.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**30. PENSION ARRANGEMENTS (CONTINUED)**

The analysis of the total costs charged through administrative expenses during the period was as follows:

	<b>29 July 2023 £m</b>	<b>30 July 2022 £m</b>
Scheme administrative expenses	<b>3.3</b>	1.8
PPF levies	<b>1.6</b>	<b>2.1</b>
Total defined benefit pensions costs charged through administrative expenses (note 3 & 26)	<b>4.9</b>	<b>3.9</b>

The analysis of the total cash payments during the period was as follows:

	<b>29 July 2023 £m</b>	<b>30 July 2022 £m</b>
Contributions	<b>40.1</b>	14.1
PPF levies	<b>1.5</b>	<b>2.2</b>
Total cash payments in respect of defined benefit pension schemes (note 26)	<b>41.6</b>	<b>16.3</b>

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**31. CONTINGENT LIABILITIES**

Boparan Holdings Limited and other Group subsidiary companies are guarantors in respect of the Senior Loan Notes due 2025, whereby they absolutely and unconditionally guarantee the principal and interest on the Senior Loan Notes. The same companies are cross guarantors in respect of the Boparan Holdings Group's £80m super senior Revolving Credit Facility which is a facility of Boparan Holdings Limited.

The amount drawn down on this facility at the balance sheet date was £35.0m (2022: £nil). The total bond value as at 29 July 2023 per the Group financial statements was £517.7m net of fees (2022: £512.5m) (note 21). The individually guaranteed amount is not readily available.

There are a number of contingent liabilities relating to litigation or potential claims from customers and counterparties that arise in the normal course of business, which if realised are not expected to result in a material liability to the Group. The Group regularly reviews all of these claims to determine any possible financial loss; as at 29 July 2023 no provision was considered necessary. A provision will be recognised if it is more likely than not a settlement will be required and the value of the payment can be reliably estimated.

For the purposes of the exemptions referred to in section 357 of the Irish Companies Act 2014, and not otherwise, Boparan Holdings Limited as the holding undertaking of the undertakings listed below, hereby irrevocably guarantees in respect of the financial period ended on the 29 July 2023, all of the liabilities of the undertakings listed below; provided that this guarantee shall not extend to any liability or commitment of the undertakings listed below which shall not have arisen otherwise than in respect of that financial period or which shall not constitute a liability or loss.

The liabilities in respect of the undertakings listed below, which have arisen in respect of the financial period ended on 29 July 2023, are already included within the Group's consolidated balance sheet.

Billcrest Products Limited

Beverley House Foods (Boyle) Limited

Beverley House Food Group Limited

Beverley House Foods Portumna Limited

Beverley House Group Services Limited

Poldy's Fresh Foods Limited

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**31. CONTINGENT LIABILITIES (CONTINUED)**

For the period ending 29 July 2023 the subsidiaries of the Company listed below were entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies.

<b>Company name</b>	<b>Company registration number</b>
2 Sister Food Services Limited	03475845
Challenger Foods Limited	04274510
Dreamphoto Limited	03055258
Dreamplayer Limited	03055269
Buxted Chicken Limited (formerly known as Dressadmire Limited)	03055284
Ethnic Cuisine Limited	02764810
Island Wharf (100) Limited	04541503
Island Wharf (300) Limited	04541512
John Rannoch Limited	00277563
Joseph Mitchell (Letham) Limited	SC034227
Lloyd Maunder Limited	00234992
Melwood Investments Limited	00755925
Northern Foods American Holdings Limited	00045394
Northern Foods Finance Limited	03945309
Scot-Lad Limited	SC170045
Beverley House (9000) Limited	00772317
Beverley House Investments Limited	02475726
Boparan Foods Limited	03188828
Cavaghan and Gray Group Limited	01357837
Farnsworth Investments Limited	02475724
BH Acquisitions Limited	07495745
Northern Foods Grocery Group Limited	00313761
Solway Foods Limited	02189139
Cavaghan & Gray Limited	00159189
FW Farnsworth Limited	00255912
R. & K. Wise Limited	00386864
Solway Foods Holding Limited	02930016
2 Sisters Fish Limited	07208651
2 Sisters Poultry Limited	SC440782
Convenience Foods Limited	02226886
Storteboom UK Limited	11913526
Century Way (Number One) Limited	00488384
Century Way Dale Limited	03131485

The liabilities in respect of the undertakings listed above, which have arisen in respect of the financial period ended on 29 July 2023, are already included within the Group's consolidated balance sheet.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**31. CONTINGENT LIABILITIES (CONTINUED)**

**COMPANY**

In addition to the above, the Company guarantees the defined benefit pension schemes (note 30) both in terms of contributions and deficits relating to disposals.

**32. RELATED PARTY TRANSACTIONS**

The Group has taken advantage of the exemption under FRS 102 Section 33.1A 'Related Party Disclosures' and has not disclosed transactions or balances between wholly owned subsidiary undertakings.

Related party transactions for the 52 weeks ended 29 July 2023, and the 52 weeks ended 30 July 2022 are shown below:

	<b>52 weeks ended 29 July 2023 £m</b>	<b>52 weeks ended 30 July 2022 £m</b>
<b>Amber REI Holdings Limited and subsidiaries</b>		
<i>Relationship: Related by virtue of common ownership</i>		
Charges received from Amber REI Holdings:		
Rental charges*	<b>5.0</b>	3.2
Equipment rental charges	<b>1.9</b>	2.1
Purchases made by the Group	<b>0.1</b>	0.1
Outstanding creditor at the period end	<b>0.3</b>	0.3
Amounts charged to Amber REI Holdings:		
Service charges	<b>0.1</b>	-
Outstanding debtor at the period end	<b>0.1</b>	-
<b>Hook 2 Sisters Limited</b>		
<i>Relationship: The Group hold a 50% investment in the company</i>		
Loans made to the related party (repayable 9 Feb 2025)	<b>3.3</b>	3.3
Purchases made by the Group	<b>830.6</b>	774.9
Outstanding creditor at the period end	<b>49.7</b>	68.2
<b>2 Agriculture Limited</b>		
<i>Relationship: Related by virtue of common ownership</i>		
Sales made to the related party	<b>0.1</b>	0.1
Outstanding debtor at the period end	-	-
<b>Boparan Events Limited</b>		
<i>Relationship: Related by virtue of common ownership</i>		
Purchases made by the Group	<b>0.1</b>	-
Outstanding creditor at the period end	-	-
<b>Shazan Foods Limited</b>		
<i>Relationship: Related by virtue of common ownership</i>		
Purchases made by the Group	<b>50.9</b>	45.0
Outstanding creditor at the period end	<b>2.7</b>	2.2
Sales made to the related party	<b>16.2</b>	6.7
Outstanding debtor at the period end	<b>1.3</b>	1.7

\* Included in the above is £1.6m relating to the settlement of the Llangefní site closure.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**32. RELATED PARTY TRANSACTIONS (CONTINUED)**

	<b>52 weeks ended 29 July 2023 £m</b>	<b>52 weeks ended 30 July 2022 £m</b>
<b>Lakeside Food Group Limited</b>		
<i>Relationship: Related by virtue of common ownership</i>		
Purchases made by the Group	<b>1.3</b>	1.6
Outstanding creditor at the period end	-	0.2
Sales made to the related party	-	0.1
Outstanding debtor at the period end	-	-
<b>Bernard Matthews Food Limited</b>		
<i>Relationship: Related by virtue of common ownership</i>		
Purchases made by the Group	<b>10.2</b>	5.8
Outstanding creditor at the period end	<b>0.8</b>	1.0
Sales made to the related party**	<b>38.3</b>	15.3
Outstanding debtor at the period end	<b>2.3</b>	1.5
<b>Bernard Matthews Foods (Sunderland) Limited</b>		
<i>Relationship: Related by virtue of common ownership</i>		
Purchases made by the Group	<b>8.2</b>	4.7
Outstanding creditor at the period end	<b>0.9</b>	1.9
Sales made to the related party	<b>12.9</b>	13.8
Outstanding debtor at the period end	<b>0.8</b>	3.9
<b>Bernard Matthews Foods (Derby) Limited</b>		
<i>Relationship: Related by virtue of common ownership</i>		
Purchases made by the Group	<b>10.7</b>	2.7
Outstanding creditor at the period end	<b>0.2</b>	4.3
Sales made to the related party	<b>57.6</b>	60.5
Outstanding debtor at the period end	<b>6.9</b>	8.0
<b>Banham Poultry (2018) Limited</b>		
<i>Relationship: Related by virtue of common ownership</i>		
Purchases made by the Group	<b>20.4</b>	12.9
Outstanding creditor at the period end	<b>2.6</b>	0.9
Sales made to the related party	<b>2.4</b>	0.5
Outstanding debtor at the period end	<b>0.1</b>	0.2
<b>Elkes Biscuits Limited</b>		
<i>Relationship: Related by virtue of common ownership</i>		
Sales made to the related party	<b>8.8</b>	0.7
Outstanding debtor at the period end	<b>1.0</b>	0.1
<b>Boparan Holdco Limited</b>		
<i>Relationship: Related by virtue of common ownership</i>		
Outstanding debtor at the period end	<b>0.5</b>	0.5

\*\* Included in the above is £0.5m relating to the settlement of Letham lease.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**32. RELATED PARTY TRANSACTIONS (CONTINUED)**

	<b>52 weeks ended 29 July 2023 £m</b>	<b>52 weeks ended 30 July 2022 £m</b>
<b>Carluccio's (UK) Limited</b>		
<i>Relationship: Related by virtue of common ownership</i>		
Purchases made by the Group	<b>0.1</b>	<b>0.1</b>
Outstanding creditor at the period end	-	-
Sales made to the related party	<b>0.1</b>	<b>0.1</b>
Outstanding debtor at the period end	-	-
<b>Cinnamon Collection Limited</b>		
<i>Relationship: Related by virtue of common ownership</i>		
Purchases made by the Group	<b>0.1</b>	-
Outstanding creditor at the period end	-	-
<b>Noblesse Proteins Investments B.V</b>		
<i>Relationship: the Group holds a 27.5% investment in the Company</i>		
Sales made to the related party	<b>6.6</b>	<b>5.6</b>
Outstanding debtor at the period end	<b>0.6</b>	<b>0.3</b>
Outstanding creditor at the period end	<b>1.2</b>	<b>1.0</b>
<b>Boparan Brands Limited</b>		
<i>Relationship: Related by virtue of common ownership</i>		
Purchases made by the Group	<b>0.1</b>	-
Outstanding creditor at the period end	-	-
<b>Portumna Pastry Limited</b>		
<i>Relationship: Related by virtue of common ownership</i>		
Sales made to the related party	<b>0.1</b>	-
Outstanding debtor at the period end	-	-
<b>Hollands Pies Limited</b>		
<i>Relationship: Related by virtue of common ownership</i>		
Sales made to the related party	<b>0.2</b>	-
Outstanding debtor at the period end	-	-
<b>Boparan Manufacturing Group Limited</b>		
<i>Relationship: Related by virtue of common ownership</i>		
Sales made to the related party	<b>0.1</b>	-
Proceeds received on the disposal of operations (note 15)	<b>21.6</b>	-
Outstanding debtor at the period end	<b>0.1</b>	-
<b>Grove Turkeys (UK) Limited</b>		
<i>Relationship: Related by virtue of common ownership</i>		
Sales made to the related party	<b>0.2</b>	-
Outstanding debtor at the period end	-	-
<b>Sameday Transport Services Limited</b>		
<i>Relationship: Related by virtue of close family member</i>		
Purchases made by the Group	<b>0.4</b>	-
Outstanding creditor at the period end	-	-

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**32. RELATED PARTY TRANSACTIONS (CONTINUED)**

Key management personnel include all directors and a number of senior managers across the Group who together have authority and responsibility for planning, directing and controlling the activities of the Group. The total compensation paid to key management personnel for services provided to the Group was £8.2m (30 July 2022: £9.9m).

**33. ULTIMATE CONTROLLING PARTY**

Boparan Midco Limited is the immediate parent of the Group and R S Boparan and B K Boparan are the ultimate controlling parties.

Boparan Holdco Limited is the smallest and largest group into which the Group is consolidated. Their registered address, from which the accounts can be obtained, is Colmore Court, 9 Colmore Row, Birmingham, B3 2BJ.

**34. SUBSEQUENT EVENTS**

There have been no subsequent events since the balance sheet date.



**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**35. ALTERNATIVE PERFORMANCE MEASURES**

In the reporting of financial information, the Group has adopted various Alternative Performance Measures (APMs). APMs should be considered in addition to FRS 102 measurements. The directors believe that these APMs assist in providing useful information on the underlying performance of the Group, enhance the comparability of information between reporting periods, and are used internally by the directors to measure the Group's performance. The key APMs that the Group focuses on are as follows:

Measure	Closest FRS 102 Measure	Definition and Reconciliation	Purpose
<b>Adjusted EBIT</b>	Operating profit	Adjusted EBIT is operating profit including share of operating profit from associates and joint ventures, before defined benefit pension scheme administration costs and exceptional items. Please see note 3 for a reconciliation of operating profit to Adjusted EBIT.	Adjusted EBIT is a key performance measure to assess and compare profitability. It allows for ongoing trends and performance of the Group to be measured by the directors, management and interested stakeholders.
<b>Adjusted EBITDA</b>	Operating profit	Adjusted EBITDA is operating profit including share of operating profit from associates and joint ventures, before depreciation, amortisation, defined benefit pension scheme administration costs and exceptional items. Please see note 3 for a reconciliation of operating profit to Adjusted EBITDA.	Adjusted EBITDA is used as a key measure to understand profit and cash generation before the impact of investments (such as capital expenditure and working capital). It is also used to derive the Group's Net debt: Adjusted EBITDA ratio.
<b>Operating cash</b>	Net cash flows from operating activities	The cash flow equivalent of operating profit. A reconciliation of net cash flows from operating activities to operating cash is set out in the supporting tables below.	Operating cash allows us and external parties to evaluate the amount of underlying cash generated by the Group's operations before interest, tax and pensions and is a measure used by directors and management.
<b>Free cash flow</b>	Net cash flows from operating activities	The cash flow equivalent of Profit After Tax. A reconciliation of net cash flows from operating activities to free cash flow is set out in the supporting tables below.	Free cash flow allows us and external parties to evaluate the amount of underlying cash generated by the Group that is available for distribution and is also a measure used by the directors, management and interested stakeholders.
<b>Net debt</b>	Borrowings less cash and amortised deal fees	Net debt comprises bonds, other borrowings and finance leases net of cash, and net of unamortised bond and other borrowing costs. These are stated at period end exchange rates, or hedged rates where an effective hedge is in place. The components of net debt are set out in the table below.	Net Debt is the measure by which the Group and interested stakeholders assesses its level of overall indebtedness.
<b>Net debt: Adjusted EBITDA ratio</b>	No direct equivalent	The ratio of Covenant Net Debt to Adjusted EBITDA, over the last 12 months.	The ratio is considered a key measure of balance sheet strength and financial stability by which the Group and interested stakeholders assesses its financial position.
<b>Adjusted EBIT margin</b>	Operating profit divided by Turnover	Adjusted EBIT/Turnover. Calculations of this measure are included on page 8 of the Strategic report.	Adjusted EBIT margin is used as a supplemental measure of performance by the directors, management and interested stakeholders.

**BOPARAN HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 29 JULY 2023**

**35. ALTERNATIVE PERFORMANCE MEASURES CONTINUED**

<b>Reconciliation of net cash flow from operating activities to free cash flow</b>	<b>52 weeks ended 29 July 2023 £m</b>	<b>52 weeks ended 30 July 2022 £m</b>
<b>Net cash flow from operating activities</b>	<b>44.2</b>	<b>53.9</b>
Adjusted for:		
Purchase of intangibles	(0.9)	-
Purchase of tangible fixed assets	(38.5)	(26.2)
Payments made in respect of defined benefit pensions schemes	41.6	16.3
Tax paid	7.6	3.9
Share of JV profit/(loss)	0.5	1.1
Grants and other non-cash movements	(0.2)	0.4
<b>Operating cash</b>	<b>54.3</b>	<b>49.4</b>

<b>Reconciliation of net cash flow from operating activities to free cash flow</b>	<b>52 weeks ended 29 July 2023 £m</b>	<b>52 weeks ended 30 July 2022 £m</b>
<b>Net cash flow from operating activities</b>	<b>44.2</b>	<b>53.9</b>
Adjusted for:		
Purchase of intangibles	(0.9)	-
Purchase of tangible fixed assets	(38.5)	(26.2)
Interest paid	(54.1)	(44.3)
Payments made in respect of defined pension schemes – one-off disposal contributions <sup>1</sup>	7.4	-
Share of JV profit/(loss)	0.5	1.1
Grants and other non-cash movements	(0.2)	0.4
<b>Free cash flow</b>	<b>(41.6)</b>	<b>(15.1)</b>

<sup>1</sup> This is a subset of the total £41.6m pension payments made during the year. Further details provided on page 9.

<b>Reconciliation of borrowings and cash to net debt</b>	<b>52 weeks ended 29 July 2023 £m</b>	<b>52 weeks ended 30 July 2022 £m</b>
<b>Cash and cash equivalents</b>	<b>38.6</b>	<b>36.5</b>
Bond notes, net of discount	(516.5)	(512.9)
Other borrowings	(45.0)	(10.0)
Lease liabilities	(7.9)	(9.1)
Amortised deal fees (bond and other borrowings)	4.6	7.1
<b>Net debt</b>	<b>(526.2)</b>	<b>(488.4)</b>