F.W. Farnsworth Limited

Annual report and financial statements

For the 52 weeks ended 29 July 2023

Company registration no. 00255912

F.W. Farnsworth Limited

Contents | **Page**

F.W. Farnsworth Limited

Officers and professional advisers

Directors

R S Boparan	
R K O Kers	(resigned 26 May 2023)
K R Packer	(resigned 12 April 2023)
C A Tomkinson	
V Patel	(appointed 22 May 2023)

Registered office

Trinity Park House
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

Strategic report

The directors present their Strategic Report for the 52 weeks ended 29 July 2023.

Business overview and principal activities

F.W. Farnsworth Limited ("the Company"), is a wholly owned indirect subsidiary of the group headed by Boparan Holdings Limited ("the Group"). The principal activity of the Company is the manufacture of chilled products.

During the period, the trade and assets of Hollands Pies were transferred out of F.W Farnsworth at book value to another Group company that was subsequently sold by the Group. There have not been no other significant changes in the Company's principal activities in the period under review or post period end.

The results are shown in the statement of income and retained earnings on page 13. The Company has made a profit for the period of £1,864,000 (2022: loss of £951,000).

Trading performance and key performance indicators

The Group monitors all key performance indicators (KPIs) on a divisional basis. Selected Group KPIs relevant for the Company have been calculated as follows:

	52 weeks ended 29 July 2023 £'000	52 weeks ended 30 July 2022 £'000
Turnover	**112,737**	105,695
Gross profit margin	**24.5%**	25.4%
Operating profit	**11,045**	6,840
Profit / (loss) before taxation	**3,509**	(646)

Turnover for the period amounted to £112,737,000 (2022: £105,695,000), an increase of 6.7% is driven by underlying price increases due to inflation, an increase in promotional activity and new business wins. This was partially offset by the disposal of Holland Pies trade and assets during the period. Gross profit margin remained broadly consistent with the prior year at 24.5% (2022: 25.4%).

Operating profit for the period increased by £4,205,000 to £11,045,000, principally due to pension contribution recharges in the prior year, see note 15 for further details.

Further information on the Group's KPIs is disclosed in the Group's annual report which does not form part of this annual report. These are included in the strategic report on page 7 of the Boparan Holdings Limited annual report and financial statements for the 52 weeks ended 29 July 2023 ("the Group annual report"). These are available as detailed in note 19.

F.W. Farnsworth Limited

Strategic report (continued)

Principal risks & uncertainties

The principal risks and uncertainties impacting the Company are the same as those impacting the Group, Boparan Holdings Limited. Therefore, the table below has been extracted from the Group financial statements.

Risk	Risk and potential impact	How it is managed
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.	• We have strong relationships with the major retailers built on the quality of our products and high levels of customer service. • We work closely with our customers on product development programmes to provide each customer with unique products and consumers with greater choice. • The Company continues to focus on maintaining a diverse range of customers across a broad range of price points
Commodity inflation & supply chain disruption	The Company'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 Company and adversely affect its results.	• The Company 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 Company to mitigate cost price pressures although they do not provide total coverage of all customers or cost types. • We have a dedicated procurement team that is appropriately resourced and skilled, to proactively respond to changes in commodity markets. • The Company 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.
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.	• 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. • 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.

Strategic report (continued)

Principal risks and uncertainties (continued)

Food Safety & Reputational risks	The Company 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.	• Each site has a dedicated team to ensure compliance with Group and industry standards. • Each manufacturing site is subject to both internal and external audits, including customers, environmental health departments, and the Food Standards Agency (UK). • Whistleblowing processes are in place and routinely tested. • Regular mandatory compliance-related training is in place. • Compliance and performance are monitored through a comprehensive set of key performance indicators and reporting through to the Group's Safety & Governance Committee (SAG).
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.	• Each site has a dedicated team to ensure compliance with Group and industry standards. • Compliance and performance are monitored 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. • Each manufacturing site is subject to internal audits by the Group's H&S team on an annual basis and sites are also subject to independent annual property and fire risk survey through our insurance provider. • The Group retains ISO 45001 Occupational Health and Safety Management Systems Standard across its operations.

The Company's principal financial instruments comprise trading intercompany balances, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The Company's customers have favourable credit ratings and the credit risk on trade debtors is managed through regular monitoring of overdue amounts and review of customer credit limits. The Company is financed by intergroup loans from its parent company and so does not have any direct exposure to external financing.

The Company's principle risks and uncertainties are mostly in line with the Group's, as discussed on page 14 of the Group's annual report, which is publicly available.

Our stakeholders

Section 172(1) statement

The stakeholders of the company are managed by the Group Board, therefore the Company's Section 172 statement is the same as the Groups, Boparan Holdings Limited.

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 and Company 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.

Engagement with our main stakeholder groups is summarised below.

	Our People
Why we engage	Our people contribute to the success if 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	• Internal communication briefings on our priorities and performance. • Colleague engagement surveys and "temperature" checks. • Colleague appraisal process. • Employee app inclusive of local and group wide updates. • A formal whistleblowing procedure.
What our stakeholders have told us matters most to them	• Understanding our purpose, strategy and values. • Reward and recognition. • Safe and pleasant working conditions. • Learning and development opportunities and career progression. • Employee wellbeing.
How we are responding	Specific actions taken in the year include: • 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. • 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. • 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. • 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&A session with colleagues. • 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. Other measures we have in place are as follows: • We are driving engagement initiatives, with clear targets for employee engagement score improvement. • 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. • 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. • We continue to offer recognition awards for 'employees of the month' and long service.

F.W. Farnsworth Limited

Strategic Report (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	• 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. • 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. • Customer and consumer feedback is reported to the Board and its sub-committees.
What our stakeholders have told us matters most to them	• Great tasting and quality products that meet consumers' needs. • Value for money. • Environmental, nutritional and sustainability issues. • Excellent customer service and consistent service levels.
How we are responding	• 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. • 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. • The Board approved the sustainability strategy in the year, an area that is a key focus for our customers.
	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	• Audits and visits. • Supplier policies. • Industry events and forums. • Regular meeting with suppliers.
What our stakeholders have told us matters most to them	• Understanding the Group's strategy and growth plans. • Forming long-term collaborative partnerships. • Transparent terms of business. • Fair payment terms.
How we are responding	• 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. • Payment policies, practice and performance are reported through the Government's Payment Practices Reporting portal and reviewed by the CFO.
	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	Our Directors and senior management sit on steering committees, groups & boards including co-chairing some prominent industry groups such as FIIN and the IGD Sustainable Diets Forum.
What our stakeholders have told us matters most to them	• Food safety. • Animal welfare. • Human rights.
How we are responding	• 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. • 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. • 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.

F.W. Farnsworth Limited

Strategic report (continued)

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	• Working with local schools and universities. • Charity fundraising and foodbank donations. • Environmental commitments.
What our stakeholders have told us matters most to them	• Giving back to the community. • Act responsibly.
How we are responding	• 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. • 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. • The Board continues to support colleagues taking part in fundraising activities for a variety of charities.
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	• Annual Financial Accounts. • Quarterly updates to lenders including trading updates, financial statements, and outlook statements. • Regular update meetings with the Chair of the pension trustees. • *Website including Investor Relations section.*
What our stakeholders have told us matters most to them	• Strong management. • Sustainable growth supported by an appropriate balance sheet. • Compliance with covenants. • Ongoing schedule of contributions.
How we are responding	• Direct engagement by the CFO and Group treasurer with the Group's lenders via conference calls and face-to-face meetings. • 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.

Going Concern

In determining whether the Company report 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 entity is supported via intercompany funding and will continue to operate as a key trading entity for the Group via a pass-through model. The company is therefore reliant on support from the wider Group.

The parent company, Boparan Holdings Limited (BHL), provided a parental support letter confirming it will provide sufficient financial support, should it be required, to enable the Company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements, as long as the Company remains within the Group.

Strategic report (continued)
Going concern (continued)

The going concern of the Company is therefore dependent on the going concern of the Group.

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 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; and
- the Group's access to a committed bank facility and invoice discounting facility to meet day to day working capital requirements.

At the date of this report the Group's committed bank and invoice discount facilities are not classified as current liabilities, as they mature more than twelve months after the issuance of this report. However, the Group's Revolving Credit Facility, invoice discounting and term loan mature on 27 May 2025, and will therefore become current shortly after this report is issued. Meanwhile the maturity date of the bonds is 30 November 2025. The Group places significant reliance on the access to these facilities and the Directors' expect to renegotiate these or similar facilities as part of a full capital refinance. Preparatory work for this refinance has already commenced and is progressing as planned.

The Directors have noted that if substantially similar liquid facilities were not available to the Group at the date of the maturity, of these facilities, it would represent a material uncertainty which may cast doubt on the Group's ability to continue as a going concern. However, based on the progress made to date, the Directors expect a refinance to complete before the 2023/2024 financial statements are issued in Autumn 2024.

Given the Group's banking facilities expire beyond the 12-month going concern outlook period we have not modelled the potential impact of the refinancing within our assessment, other than sensitising the cash flows for the possible change in interest costs on the Group's fixed rate bonds.

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 half of FY24 has been above the base cash flows prepared.

Having undertaken this assessment, the Directors have a reasonable expectation that the Group and therefore 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.

F.W. Farnsworth Limited

Strategic report (continued)

Future prospects

The directors consider the future prospects of the Company to be satisfactory.

Approved by the board and signed on its behalf by:

C A Tomkinson
Director
23 April 2024

F.W. Farnsworth Limited

Directors' report

The directors present their annual report and 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 1.

Directors' indemnities

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

Dividends

No interim dividend was paid in the period (2022: £nil). The directors do not recommend the payment of a final dividend (2022: £nil).

Donations

The Company made £nil (2022: £nil) of charitable donations during the period.

Financial risk management

The financial risks faced by the Company and the way these are managed are addressed within the Strategic Report on page 3.

Environment

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damages that might be caused by the Company's activities. The Company operates in accordance with Group policies, which are described in the Group's annual report which is publicly available as detailed in note 19

Climate Financial Disclosures (CFD)

The Company is exempt from publishing Climate Financial Disclosures on the basis these are included in the Group, Boparan Holdings Limited which are publicly available.

Employees

Details of the number of employees and related costs can be found in note 6.

The Company is committed to equality of opportunity amongst its employees. Recruitment, pay and conditions, training and career development policies are based solely on ability, without regard to gender, race, age, disability, marital status or religion. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged.

The Company uses a variety of methods to enable all its employees to understand the performance of the Group and of their own operating company. These include briefing groups, meetings with employee representatives and company communication via the Groups employee application. Employees are consulted on a wide range of issues affecting their current and future interests, and particularly on changes affecting the Company.

Future prospects

Details of the future prospects of the Company can be found in the strategic report and form part of this report by cross reference.

F.W. Farnsworth Limited

Directors' report (continued)

Research and development

Throughout the period the Company invested in food hygiene and product research in the development of new and enhanced products. The costs incurred comprise all directly attributable costs necessary to create and produce products which are either brand new in design or those which are being modified.

Approved by the board and signed on its behalf by:

C A Tomkinson
Director
23 April 2024

F.W. Farnsworth 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 period. 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 judgments 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 the maintenance and integrity of the corporate and financial information included on the Company's website.

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 members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

F.W. Farnsworth Limited

Statement of income and retained earnings

For the 52 weeks ended 29 July 2023

	Note	**52 weeks ended 29 July 2023**	52 weeks ended 30 July 2022
		£'000	£'000
Turnover	3	**112,737**	105,695
Cost of sales		**(85,138)**	(78,897)
Gross profit		**27,599**	26,798
Distribution costs		**(11,219)**	(10,988)
Administrative expenses		**(5,335)**	(8,970)
Operating profit		**11,045**	6,840
Net finance charge	7	**(7,536)**	(7,486)
Profit / (loss) before taxation	4	**3,509**	(646)
Taxation charge	8	**(1,645)**	(305)
Total comprehensive profit / (loss) for the financial period		**1,864**	(951)
Retained earnings at the start of the period		**(109,933)**	(108,982)
Retained earnings at the end of the period		**(108,069)**	(109,933)

F.W. Farnsworth Limited

Balance sheet
At 29 July 2023

	Note	**52 weeks ended 29 July 2023 £'000**	52 weeks ended 30 July 2022 £'000
Fixed assets			
Tangible fixed assets	9	**3,894**	4,554
		3,894	4,554
Current assets			
Inventories	10	**3,440**	3,878
Debtors due within one year	11	**43,047**	45,313
Deferred tax asset	12	**699**	1,604
Cash at bank and in hand		**-**	51
		47,186	50,846
Creditors: amounts falling due within one year	13	**(137,690)**	(143,874)
Net current liabilities		**(90,504)**	(93,028)
Total assets less current liabilities		**(86,610)**	(88,474)
Net liabilities		**(86,610)**	(88,474)
Capital and reserves			
Called up share capital	14	**21,425**	21,425
Share premium account	14	**34**	34
Profit and loss account		**(108,069)**	(109,933)
Shareholders' deficit		**(86,610)**	(88,474)

For the 52 weeks ended 29 July 2023 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

No members have required the Company to obtain an audit of its accounts for the 52 weeks ended 29 July 2023 in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the accounts.

The financial statements of F.W. Farnsworth Limited were approved by the board of directors and authorised for issue on 23 April 2024. They were signed on its behalf by:

C A Tomkinson
Director
Company number 00255912

Notes to the financial statements
For the 52 weeks ended 29 July 2023

1. Accounting policies

Basis of accounting

F.W. Farnsworth 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 1. The nature of the Company's operations and its principal activities are set out in the strategic report.

The financial statements have been prepared under the historical cost convention 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.

Financial Reporting Standard 102 – reduced disclosure exemptions

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions available to it in FRS102 Paragraph 1.12. In preparing these financial statements, exemptions have been taken in respect of:

- The requirements of Section 3; Financial Statement Presentation paragraph 3.17(d), and Section 7, Statement of Cashflows;
- The requirements of Section 11; Basic Financial Instruments paragraphs 11.41(b) - (c), 11.41 (e) - (f), 11.42, 11.44 - 11.45, 11.47, 11.48(aiii) – (aiv), 11.48(b) – (c);
- The requirements of Section 12; Other Financial Instruments Issues paragraph 12.26 -12.27, 12.29(a) – (b) and 12.29A; and
- The requirements of Section 33; Related Party Disclosures paragraph 33.7.

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

The company has also presented a statement of income and retained earnings in place of a statement of comprehensive income and a statement of changes in equity in accordance with FRS102 paragraph 6.4.

Going concern

In determining whether the Company report 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 entity is supported via intercompany funding and will continue to operate as a key trading entity for the Group via a pass-through model. The company is therefore reliant on support from the wider Group.

The parent company, Boparan Holdings Limited (BHL), provided a parental support letter confirming it will provide sufficient financial support, should it be required, to enable the Company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements, as long as the Company remains within the Group.

The going concern of the Company is therefore dependent on the going concern of the Group.

1. Accounting policies (continued)

Going concern

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 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; and
- the Group's access to a committed bank facility and invoice discounting facility to meet day to day working capital requirements.

At the date of this report the Group's committed bank and invoice discount facilities are not classified as current liabilities, as they mature more than twelve months after the issuance of this report. However, the Group's Revolving Credit Facility, invoice discounting and term loan mature on 27 May 2025, and will therefore become current shortly after this report is issued. Meanwhile the maturity date of the bonds is 30 November 2025. The Group places significant reliance on the access to these facilities and the Directors' expect to renegotiate these or similar facilities as part of a full capital refinance. Preparatory work for this refinance has already commenced and is progressing as planned.

The Directors have noted that if substantially similar liquid facilities were not available to the Group at the date of the maturity, of these facilities, it would represent a material uncertainty which may cast doubt on the Group's ability to continue as a going concern. However, based on the progress made to date, the Directors expect a refinance to complete before the 2023/2024 financial statements are issued in Autumn 2024.

Given the Group's banking facilities expire beyond the 12-month going concern outlook period we have not modelled the potential impact of the refinancing within our assessment, other than sensitising the cash flows for the possible change in interest costs on the Group's fixed rate bonds.

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 half of FY24 has been above the base cash flows prepared.

Having undertaken this assessment, the Directors have a reasonable expectation that the Group and therefore 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.

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 Company 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 Company recognises revenue net of such discounts over the period to which the arrangement applies.

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

Supplier rebates

The Company 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.

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.

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.

Foreign currencies

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.

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

- Exchange differences on transactions entered into to hedge certain foreign currency risks; and
- Exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

1. Accounting policies (continued)

Taxation

Current tax 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.

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 Company 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 Company 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 Company 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.

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.

Depreciation on 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 are:

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.

1. Accounting policies (continued)

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.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Company 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 Company 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 Company 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).

1. **Accounting policies (continued)**

Financial assets and liabilities (continued)

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).

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 Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Company, 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.

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.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost 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 inventories where appropriate.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company 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.

1. Accounting policies (continued)

Pensions

Defined contribution scheme

The Company operates a defined contribution pension scheme. The amount charged to the statement of income and retained earnings 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.

Defined benefit scheme

The Company is associated with two legacy defined benefit schemes, the Northern Foods Pension Scheme ("the Scheme") and Northern Foods Pension Builder ("the Pension Builder"), which are defined benefit schemes providing members with benefits based on pay and service. The assets of the Scheme and the Pension Builder are held in Trustee administered funds separate from the finances of the Company and Group.

Northern Foods Limited, which is the sponsoring employer of the schemes, recognises the whole of the Scheme and Pension Builder assets and liabilities in its financial statements. Further information can be found in the financial statements of Northern Foods Limited, which are available at the Company's registered address as detailed on page 1.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company'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.

Critical judgements in applying the Company'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 Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

There were no critical judgements for the period ended 29 July 2023.

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

Key source of estimation uncertainty

Customer rebates

The Company provides rebate arrangements or other incentive arrangements, to its customers. In assessing provisions required for these arrangements, the Company carefully monitors the sales levels and ensures that provisions are in line with all agreements in place with each customer.

Recognition of deferred tax assets

The Company recognised a deferred tax asset of £699,000 (2022: £1,604,000) 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 deferred tax asset of £699,000 (2022: £1,604,000) relates to timing differences on capital allowances and unused R&D expenditure credits.

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 Company has considered the impact of the assumptions used on 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 unrecognised at period end, can be found in note 12.

3. Turnover

Turnover consists of sales to third parties net of discounts and Value Added Tax (VAT) and other sales related taxes. All turnover relates to the manufacture of chilled and frozen savoury products.

An analysis of the Company's turnover by geographical market is set out below.

	52 weeks ended 29 July 2023 £'000	52 weeks ended 30 July 2022 £'000
United Kingdom	**112,737**	105,695
	112,737	105,695

4. Profit / (loss) before taxation

Profit / (loss) before taxation is arrived at after charging:

	52 weeks ended 29 July 2023 £'000	52 weeks ended 30 July 2022 £'000
Depreciation of owned tangible fixed assets (note 9)	**1,034**	1,092
Research and development costs	**574**	427
Operating lease rentals - plant and machinery	**202**	315
Defined contribution pension costs (note 15)	**641**	655

5. Emoluments of directors

None of the directors received any emoluments from the Company during the period (2022: £nil). The directors are remunerated by other group companies. The directors received combined emoluments of £4,959,000 (2022: £5,835,000). It is not practicable to ascertain what proportion of these emoluments relates to the Company. The highest paid director received total emoluments of £1,878,000 (2022: £3,132,000).

No pension contributions were made on behalf of the highest paid director during the period (2022: £nil).

The Group made contributions of £5,000 (2022: £5,000) in respect of money purchase benefits for one director (2022: one directors) during the period.

6. Staff numbers and costs

Staff costs consists of:	**52 weeks ended 29 July 2023 £000's**	52 weeks ended 30 July 2022 £000's
Wages and salaries	**20,490**	20,439
Social security costs	**1,882**	1,878
Defined contribution pension costs (note 15)	**641**	655
	23,013	22,972

The monthly average number of employees during the period was as follows:

	52 weeks ended 29 July 2023 Number	52 weeks ended 30 July 2022 Number
Production	**698**	755
Distribution	**75**	83
Administration	**23**	27
	796	865

7. Net finance charge

	52 weeks *ended* 29 July 2023 £'000	52 weeks *ended* 30 July 2022 £'000
Interest payable on Group loans	**7,536**	7,486

8. Taxation on loss

United Kingdom corporation tax	**52 weeks ended 29 July 2023 £'000**	52 weeks ended 30 July 2022 £'000
Current tax on income for the period	**(1,625)**	(632)
Adjustments in respect of previous periods	**974**	(176)
Total current tax charge	**(651)**	(808)
Deferred taxation (note 12)		
Net origination of timing differences	**(914)**	314
Adjustments in respect of prior periods	-	(3)
Tax rate changes	**(80)**	192
Total deferred tax (charge) / credit	**(994)**	503
Total taxation charge	**(1,645)**	(305)

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.

8. Taxation on loss (continued)

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

	52 weeks ended 29 July 2023 £'000	52 weeks ended 30 July 2022 £'000
Profit / (loss) before taxation	**3,509**	(646)
Taxation (charge) / credit on loss at the standard UK corporation tax rate of 21.01% (2022: 19.00%)	**(737)**	123
Effects of:		
Adjustments in respect of prior periods	**974**	(179)
Tax rate differences	**(80)**	192
Non taxable (expenses) / income not deductible for tax purposes	**(89)**	23
Transfer pricing adjustments	**(635)**	(586)
Deferred tax asset (not provided) / provided	**(1,078)**	122
Total taxation charge for the period	**(1,645)**	(305)

9. Tangible fixed assets

	Plant, fixtures and motor vehicles £'000
Cost:	
At 31 July 2022	50,475
Additions	1,723
Disposals	(20,957)
At 29 July 2023	**31,241**
Depreciation:	
At 31 July 2022	45,921
Charge for the period	1,034
Disposals	(19,608)
At 29 July 2023	**27,347**
Net book value:	
At 29 July 2023	**3,894**
At 30 July 2022	4,554

10. Inventories

	29 July 2023 £'000	30 July 2022 £'000
Raw materials and consumables	**1,432**	2,048
Work in progress	**1,315**	260
Finished goods and goods for resale	**693**	1,570
	3,440	3,878

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

11. Debtors: amounts falling due within one year

	29 July 2023 £'000	30 July 2022 £'000
Trade debtors	**3,140**	4,882
Amounts owed by Group undertakings	**39,168**	39,530
Other debtors	**554**	575
Prepayments and accrued income	**185**	326
	43,047	45,313

All amounts owed to Group undertakings are repayable on demand and held at amortised cost.

12. Deferred taxation asset

	29 July 2023 £'000	30 July 2022 £'000
Asset at the start of the period	**1,604**	1,101
(Charge) / credit to the profit and loss account	**(994)**	506
Reclassification of R&D expenditure	**89**	(3)
Asset at the end of the period	**699**	1,604

	29 July 2023 £'000	30 July 2022 £'000
Accelerated capital allowances	**610**	1,604
R&D expenditure credit	**89**	-
Total deferred tax asset	**699**	1,604

The Company has an unrecognised deferred tax asset of £6,785,000 (2022: £7,395,000). This is made up of £856,000 (2022: £1,507,000) in relation to accelerated capital allowances, £19,000 (2022: £17,000) in relation to short term timing differences and £5,910,000 (2022: £5,871,000) in relation to capital losses carried forward as at 29 July 2023.

Deferred tax is not recognised on these balances as it is uncertain whether these amounts will be utilised against future taxable profits or gains.

13. Creditors: amounts falling due within one year

	29 July 2023 £'000	30 July 2022 £'000
Trade creditors	**14,186**	13,454
Amounts owed to Group undertakings	**119,556**	126,825
Corporation tax	**1,599**	613
Other creditors	**754**	506
Other taxation and social security	**338**	301
Accruals	**1,257**	2,175
	137,690	143,874

All amounts due from Group undertakings are repayable on demand and held at amortised cost. Interest is charged at an average rate of 7.625% (2022: 7.625%) on these balances.

14. Share capital and share premium account.

	29 July 2023	30 July 2022
	£'000	£'000
Authorised:		
215,000,000 ordinary shares of 10p each	**21,500**	21,500
Allotted, called up and fully paid:		
214,246,448 ordinary shares of 10p each	**21,425**	21,425

The Company has one class of ordinary shares which carry no right to fixed income.

The Company also has a share premium reserve of £34,000 (2022: £34,000) which represents amounts received in excess of the nominal value of shares, on issue of new shares.

15. Pensions

Defined contribution scheme

The Company participates in the Group's defined contribution scheme for qualifying employees. The total cost charged to the statement of income and retained earnings in the period of £641,000 (2022: £655,000) represents contributions payable to the scheme by the Company at rates specified in the rules of the plan. As of 29 July 2023, £88,000 of contributions due in respect of the current reporting period had not been paid over to the scheme (2022: £75,000).

Defined benefit scheme

The Company is associated with two legacy defined benefit schemes, the Northern Foods Pension Scheme ("the Scheme") and Northern Foods Pension Builder ("the Pension Builder"), which are defined benefit schemes providing members with benefits based on pay and service. The assets of the Scheme and the Pension Builder are held in Trustee administered funds separate from the finances of the Company and Group.

The Scheme and the Pension Builder are both closed to future accrual.

The parent company Northern Foods Limited, which is the sponsoring employer of the schemes, recognises the whole of the Scheme and Pension Builder assets and liabilities in its financial statements.

Under a cross-guarantee the Company, with a number of other Group companies including Northern Foods Limited, jointly and severally guarantee the performance of each other's obligations to the Schemes.

In previous years, the Company recognised a cost equal to its share of funding contributions from Northern Foods Limited however this ceased during the year (2022: £4,094,000). This was a legacy arrangement prior to agreeing the flexible apportionment arrangement and cross-guarantee with the Company and other Group companies.

Further details of the defined benefit schemes are disclosed in the notes to the financial statements of Northern Foods Limited.

16. Financial commitments

Capital commitments

There were capital commitments of £nil (2022: £nil) provided for at the period end.

The Company had capital commitments of £nil (2022: £nil) which were contracted for but not provided for at the period end.

Operating lease commitments

The Company had total future minimum lease payments under non-cancellable operating leases as set out below:

	29 July 2023 £'000	30 July 2022 £'000
Plant and machinery leases expiring:		
Within one year	**2**	220
Between one and five years	**-**	378
	2	598

The reduction in commitments is as a result of operating leases being transferred, as part of the transfer of Holland Pies trade and assets to another Group company.

17. Related party transactions

The Company has taken advantage of the exemption under FRS102 Section 33; Related Party Disclosures paragraph 33.7, as a wholly owned subsidiary of Boparan Holdings Limited, not to disclose related party transactions with other wholly owned members of the Group.

	52 weeks ended 29 July 2023 £'000	52 weeks ended 30 July 2022 £'000
Carluccio's (UK) Limited		
Relationship: Related by virtue of common ownership		
Sales made to the related party	**-**	5
Outstanding debtor at the period end	**-**	-
Sunderland Value Added Foods Limited		
Relationship: Related by virtue of common ownership		
Purchases made from the related party	**3,908**	2,316
Outstanding creditor at the period end	**280**	234
Derby Value Added Foods Limited		
Relationship: Related by virtue of common ownership		
Purchases made from the related party	**9**	-
Outstanding creditor at the period end	**-**	-

18. Contingent liabilities

The Company and other Group subsidiary companies are guarantors in respect of the Senior Loan Notes due November 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 (RCF) which is a facility of Boparan Holdings Limited.

The amount drawn down on the RCF 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).

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 Company. The Company 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.

19. Ultimate parent undertaking

The Company is a wholly owned subsidiary of Beverley House (9000) Limited, a company registered in England and Wales. The parent company of the smallest group of undertakings for which group financial statements are drawn up and of which the Company is a member is Boparan Holdings Limited, registered in England and Wales. The parent company of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member is Boparan Holdco Limited, registered in England and Wales.

Copies of the consolidated financial statements can be obtained from the Company's registered office as detailed on page 1. As at 29 July 2023 Boparan Holdco Limited was also the Company's ultimate parent undertaking.

R S Boparan and B K Boparan are the ultimate controlling parties.

20. Post balance sheet events

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