



Argent Foods Limited

Annual Report and financial statements

Registered number: 07081161

31 December 2022

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Group Information

Directors

- * M R Mountford (Chairman) ^{1, 2}
- * A J Barnes
J Fallowfield-Smith ⁴
- D J Gray ³
- * A S King ^{1, 2}
- A L Olins
- * J Sinyor
- * S R Wootten ^{1, 2}

Company number

07081161

Registered office

The Henley Building
Newton Road
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Oxfordshire
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Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
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2001
South Africa

* Non-executive Director

¹ Member of Audit and Risk Committee

² Member of Remuneration Committee

³ Chief Executive Officer

⁴ Group Finance Director



Strategic Report

Principal activities

Argent Foods Limited is the holding company for the Argent Foods Limited group ("the Group"), a diversified international food group with operations in Europe, Australasia, North America and Africa. The Group's activities during the year were focused on the processing, procurement, supply and marketing of fresh fruit and produce and poultry.

Business review

Our strategy

Our range of activities is broad in both product and market scope, providing high-quality food that is affordable for the consumer and meets the needs of our customers. The Group comprises a sizeable mix of operations that achieve good revenue growth, along with mature cash generative businesses.

Our businesses are organised so that they operate close to the markets and customers they serve. They are managed through three pillars that bring together industry expertise, operational capability and market knowledge: BerryWorld Group & Poupart Imports, The Orchard Fruit Group and Poultry Group. Operational decisions are made locally by the people who have the best understanding of our markets. The corporate centre, which comprises the Group finance team, is small and, amongst other activities, it agrees strategy and budgets with the businesses and monitors their performance closely. We aim to achieve strong and sustainable market positions through a combination of organic growth, acquisitions of complementary businesses, creation of joint ventures and investing for operational improvement and expansion.

The Group is managed to ensure long-term financial stability, exhibited by the resilience of the Group during the unprecedented COVID-19 pandemic. Subject to available liquidity, capital funding is made available to all our businesses where expected returns meet or exceed defined criteria. Organic growth is achieved through investment in marketing, in the development of existing and new products, and in targeted investment to improve efficiency and expand capacity. The Group takes a long-term approach to investment and is committed to increasing value through sound commercial, responsible and sustainable business decisions that aim to deliver steady growth in earnings.

Acquisitions and joint ventures are made to complement existing business activities and to exploit opportunities in adjacent markets or geographies.

We operate to high ethical standards as an organisation and expect the same of our employees. Our employees play a key part in delivering our strategy and we continue to invest in leadership and development programmes that are designed to drive and support future growth across the Group.

Corporate Activities

In May 2023, Agroberries Limited acquired a minority investment in BerryWorld Group Holdings Limited, which includes BerryWorld's EMEA and APAC businesses ("the Transaction"). Agroberries may increase its shareholding further in the future. The Transaction will provide BerryWorld with a solid foundation as we enter the next phase of growth.

Part of the proceeds from that transaction allowed the Group to make a full and final settlement of a legal case instigated against the Group's subsidiaries BerryWorld Limited and BerryWorld Europe B.V., which has been proceeding since February 2021. The settlement amount has been recognised in the 2022 Balance Sheet as an adjusting Post Balance Sheet Event – see note 33. In addition, the proceeds were used to acquire the final 25% minority share in BerryWorld (SA) (PTY) Limited to take the Group's shareholding to 100%.

In June 2023, the Group sold an investment property, held on the Balance Sheet at £15m, for £22m.

Financial review

Performance

	2022 £'m	2021 £'m
(Loss)/profit before interest and taxation	(24.7)	16.5
<i>Add back:</i>		
Losses from discontinued operations	-	0.4
Depreciation	3.6	4.1
Amortisation	3.8	4.5
Exceptional costs	31.7	6.5
<i>Less:</i>		
Profit on disposal of subsidiary	-	(13.9)
Revaluations of investment properties	-	(1.1)
Revaluations of investments	0.1	(0.5)
Adjusted EBITDA	14.5	16.5



Strategic Report (continued)

Financial review (continued)

The financial year has been characterised by a drive for improved efficiencies and careful management of costs. The Group has continued to invest in its businesses.

Despite an increase in continuing Group turnover £608.6m (2021: £597.6m), adjusted FRITDA decreased to £14.5m (2021: £16.5m), largely driven by a decrease in EBITDA of £1.3m at The Orchard Fruit Group.

Exceptional costs for continuing operations total £31.7 million (2021: £6.5 million) and mainly relate to the full and final settlement, and associated professional fees, of the legal case mentioned above, legal and other professional fees incurred as part of the transaction process and Group reorganisation, and duplicate site running costs of the PrepWorld division following notice being given on the Southfleet site.

BerryWorld Group & Poupart Imports

Turnover 2022: £550.1m 2021: £528.5m

EBITDA 2022: £15.8m 2021: £16.2m

The BerryWorld Group & Poupart Imports achieved a record-breaking initial half of the year. The latter half of 2022 was impacted by challenging climatic conditions experienced in several geographic regions, the war in Ukraine impacting, among other things, energy prices and labour, port strikes in South Africa delaying fruit arrival and continuing economic uncertainty in the UK.

The increase in turnover in 2022 was driven by BerryWorld Group's prepared fruit division, PrepWorld UK, reflecting an improvement in demand for "food on the go" products as lockdowns were lifted, coupled with the successful launch of several new product lines. The Group continues to see significant potential in the prepared fruit division, with further expansion being facilitated through the opening of a new state of the art facility in mid-2022, with full transition by the end of the year. The enhanced capacity and efficiencies of the new facility will drive an increase in market share, expand our range of customers and realise further operational improvements.

Growth in the remainder of the BerryWorld Group in H1 was driven by the Group's continued investment in genetics, varietal developments and the grower network. This has enabled us to increase the availability of fruit in general and, specifically, to develop the supply of new, exclusive

varieties of berries that yield more for growers and taste better for consumers.

Investment made with growers in previous years is helping to fill Mountain Blue Orchard ("MBO") blueberry variety production gaps, with increased MBO bush plantings and maturity in South Africa and Morocco increasing volumes sold through our marketing desks across Europe, whilst the Suppliire and Diamond Jubilee raspberry varieties developed by the BerryWorld Plus breeding programme continue to be the preferred varieties of our suppliers and customers.

The packhouse in the Netherlands, built and owned by a related party special purpose vehicle, and investment by the Beekers Group itself in new packing lines has increased efficiencies and capacity driving growth in The Netherlands, alongside additional Dutch strawberry growers. Profitability at the Beekers Group was adversely affected by the high energy and labour costs noted above. Consequently, cultivation plans were adapted to mitigate the impact.

There has been further growth in the early-stage overseas businesses, particularly BerryWorld France Limited and BerryWorld Iberia SL.

Poupart Imports utilised its extensive supply contacts throughout the world to continue to provide a comprehensive range of produce to customers in the UK.

Mastronardi BerryWorld America

EBITDA 2022: £0.4m 2021: £0.6m

The Group's 40% owned joint venture, Mastronardi BerryWorld America LLC, traded well during the year due to pleasing performance of the marketing desk and expansion of the grower base.

The Orchard Fruit Group

Turnover 2022: £51.4m 2021: £62.8m

EBITDA 2022: £0.3m 2021: £1.6m

The Orchard Fruit Group businesses were impacted by difficult market conditions and a shift towards normal demand patterns following the easing of the pandemic restrictions.

Norton Folgate's turnover decreased principally due to climatic challenges impacting fruit arrivals and shipping delays. However, a larger English cherry crop saw an increase in the volume of fruit put through the Company's automated cherry grading operation. OrchardWorld's turnover decreased due to the changing mix of programmes with existing customers.



Strategic Report (continued)

Financial review (continued)

Poultry Group

Turnover 2022: £7.1m 2021: £6.2m
EBITDA 2022: £0.7m 2021: £0.5m

Belwood Foods' turnover and profitability increased following continued growth within the UK market and a lower impact of Avian Flu. Profitability improved driven by a more beneficial product mix in the UK.

Fairfax Meadow Group

Turnover 2022: £nil 2021: £66.0m
EBITDA 2022: £nil 2021: £(0.4)m

Fairfax Meadow Europe Ltd was sold on 28 October 2021.

Because of the sale, the results of the business while part of the Group in the 2021 comparison have been presented as a discontinued operation.

Investments

In 2022 the Group completed the construction of the new, state of the art PrepWorld facility in Northfleet. The Group has continued its investment in The Netherlands with new lines for the packhouse, further increasing capacity and automation.

Financing

The financing of the UK companies is managed centrally. As at 31 December 2022, the Group had total committed borrowing facilities under its UK banking agreement comprising the following: £6.4m term loan; £10.0m revolving credit facility and £45.0m UK invoice discounting facilities. Outside of the UK, the Group had the following borrowing facilities; €18.0m invoice discounting facility and €5.5m bank loan in the Netherlands, €1.0m confirming facility in Spain, €2.0m invoice discounting facility in France, ZAR10.0m invoice discounting facility at BerryWorld Local (Pty) and a ZAR15.0m facility at BerryWorld (SA) (Pty). Net bank debt at 31 December 2022, including finance leases, was £31.7m (2021: £16.0m).

Statement of Financial Position

Non-current assets are £71.1 million (2021: £67.8 million). The Group's Statement of Financial Position remains strong with net assets of £19.0 million (2021: £43.2 million). The decrease from 2021 relates to the accrual for the full and final settlement of the legal case which occurred in 2023. As noted above this was funded by the sale of a minority investment in BerryWorld Group Holdings Limited in 2023.

Tax

The Group follows a responsible and transparent approach to tax matters. The Group takes its responsibilities for tax extremely seriously and is firmly committed to meeting all statutory tax obligations, wherever in the world they might arise. The Group regularly reviews all tax risks and takes steps to both monitor and, where appropriate, mitigate these risks. The effective tax rate for the Group is high due to credits not available for amortisation and higher tax rates on overseas profits.

Future outlook

Our markets continue to face challenging conditions in 2023, exacerbated by Russia's continued invasion of Ukraine, from high inflation, particularly in energy, transport and labour costs, and pressure on consumer discretionary spending. Although there has been some margin pressure, the Group has a proven track record for adapting to such challenges, including its recent strong performance throughout the pandemic.

The year-to-date performance and full year outlook shows profitability ahead of 2022 and tracking in line with the 2023 budget. The Group has successfully recovered rising costs through both pricing and efficiency improvements, new product development and continued investment in new varieties. 2023 is PrepWorld's first full year in the new facility which is already proving a strong selling point with customers. This new improved facility and the continued investment in automation in The Netherlands has improved efficiencies and place less reliance on increasingly expensive labour. Cost increases have been factored into the financial forecasts and these indicate that the Group will remain satisfactorily within its existing facilities.

There are no direct sales or credit exposures to Russia or Ukraine and the Group are not aware of any indirect exposures in the supply chains. There has not been any material impact from increased produce into our markets which would have been sold in the region.

Governance

The Board recognises that an effective system of governance is essential to the fulfilment of corporate responsibilities and the achievement of strategic objectives. In recognition of this, the Board strives to observe high standards of governance. As an unlisted Company, the Company does not have to comply with the revised



Strategic Report (continued)

Governance (continued)

Combined Code. However, the Board believes in providing a framework that establishes good governance and accountability. We set out below how the Board applies the principles of good governance and best practice.

The Board

The aim of the Board is to develop sustainable businesses with the principal objective of enhancing shareholder value. The Board maintains full and effective control over the Company's business affairs and assesses the performance of the Company and its subsidiaries. It met ten times during the year. Additionally, the Board receives updates as necessary between meetings.

The Board includes five independent non-executive Directors, one of whom acts as Chairman separate from the Chief Executive and one of whom is a non-executive Director appointed by shareholders. The role of the non-executive Directors is to bring independent judgement to the Board's deliberations and decisions. The non-executive Directors do not have responsibilities for the day-to-day management of the Company; this is the responsibility of the executive Directors and other members of the senior management teams.

The composition and effectiveness of the Board is reviewed regularly to ensure that the experience of its executive and non-executive Directors meets the requirements of the Company and its business operations. In doing so, the Board also takes into consideration the balance of executive to non-executive Directors and their terms of service.

All Directors are entitled to receive independent professional advice at the Company's expense.

Board Committees

The Board has established a Remuneration Committee and an Audit and Risk Committee, both with defined terms of reference.

Remuneration Committee

The main responsibilities of the Remuneration Committee are to:

- determine and agree with the Board the strategy for remuneration

- have delegated authority to set individual remuneration arrangements for the CEO and other executive Directors
- recommend and monitor the level and structure of remuneration for senior management across the Group

In determining such policies, the Committee reviews and agrees the overall market positioning of the remuneration package, individual base salaries and annual increases, and annual and long-term incentive arrangements, and sets the relevant targets for performance related schemes and pension arrangements. The Committee met once last year. No Director votes on their own remuneration.

The Group's policy on remuneration is that the overall remuneration package should be sufficiently competitive to attract, retain and motivate high quality employees capable of achieving the Group's strategic objectives.

The fees and other payment arrangements for non-executive Directors are matters for consideration by a sub-committee of the Board, which makes recommendations to the Board as a whole. The Board believes the level of remuneration of its non-executive Directors is fair in relation to the responsibilities and time commitments involved and that the level of remuneration does not preclude them from acting independently.

Audit and Risk Committee

The main responsibilities of the Audit and Risk Committee cover:

- the adequacy and effectiveness of internal systems of reporting and controls
- the appropriateness of accounting policies, compliance with accounting standards and material matters such as critical accounting judgements and estimation uncertainty
- the scope of the audit, action required as a result of auditors' findings and conclusions and the auditors' remuneration
- compliance with Company policies and with the external codes of conduct or regulations
- risk management

The Audit and Risk Committee met three times last year. The meetings are attended by the external auditors, PricewaterhouseCoopers LLP, twice a year, giving them an



Strategic Report (continued)

Governance (continued)

opportunity to talk with the Audit and Risk Committee without any executive Directors being present

The Audit and Risk Committee considers the re-appointment of the external auditors based on performance, cost and independence and reports its findings to the Board. The audit firm occasionally provides non-audit work to the Group. The level of such work is reviewed annually to ensure there is no impediment to the firm's independence and the Group periodically benchmarks the fees and level of work against other professional advisors.

Internal control

The Board maintains full control and direction over appropriate strategic, financial, organisational and compliance issues, and has put in place an organisational structure with formally defined lines of responsibility and delegation of authority. The Committee reviews the need for a Group internal audit function annually. Given the manageable level of risk and historical issues, the Committee continues to delegate to the senior management team the implementation of the systems of internal financial control. An internal control framework can only provide reasonable not absolute assurance against material misstatement or loss. The Directors are not aware of any significant weaknesses or deficiencies in the Company's system of internal control.

Statement by the Directors in performance of their statutory duties in accordance with s172 Companies Act 2006

The Board consider that they have acted in the way they consider would be most likely to promote the success of the Group for the benefit of its members as a whole in the decisions taken during the year ended 31 December 2022

As noted above the Board meet frequently throughout the year. At these meetings the benefits and long-term consequences of new investments, capital expenditure over £0.3 million, disposals of subsidiaries and assets, Brexit, global events and the economy and financing decisions are discussed and, where appropriate, approved. The Group's five-year plan, which sets out the Group's strategy for the next five years and is designed to have a long-term beneficial impact on the Company, is rigorously reviewed by the managing Directors prior to review and approval by the Board. Our employees are fundamental to the delivery

of our plan and we aim to be a responsible employer in our approach to the pay and benefits our employees receive.

The health, safety and well-being of our employees is a top priority for our businesses and is a standard agenda item at every Board meeting. There is active endorsement and accountability from the managing Directors of each business and regular external health and safety audits are completed.

Our intention is to behave responsibly and ensure that management operate the business in a responsible manner. Maintaining the Group's reputation for high standards of business conduct and relationships with customers is of vital importance. The safety and integrity of our products are managed throughout the supply chain and product safety is put before economic considerations. At customer level, the monitoring of key performance indicators, such as service levels and customer complaints, enables the business to ensure it offers excellent customer service and quality product. Continued capital investment allows for continual product development with our customers. Annually the Board considers and approves the Group's Modern Slavery and Human Trafficking Statement which explains the activities we have undertaken during the year to demonstrate our commitment to seeking to ensure there is no slavery, enforced labour or human trafficking within any part of our business or in our supply chains. This can be found at our website www.argentgroup.com.



Strategic Report (continued)

Board of Directors

Margaret Mountford

Chairman

Non-executive Director

Member of Audit and Risk Committee

Member of Remuneration Committee

Margaret was a corporate finance partner at Herbert Smith for 16 years. She also chairs Marylebone Boys' School and the St. Marylebone CE Bridge School. Margaret became Chairman of the Argent Foods Board in December 2012.

David Gray

Group CEO

David is a Chartered Accountant who has over 20 years' experience at Argent Foods Limited and over 30 years of experience in the industry. David led the management buy-out in 2010, which gave him a controlling interest in the Group.

James Fallowfield-Smith

Group FD

James qualified as a Chartered Accountant at PwC before joining Argent Foods. He has more than 10 years of experience with the Group, including a year as interim CFO of New Zealand Light Leathers prior to its sale.

Andrew Barnes

Non-executive Director

Andrew is a Chartered Accountant who has over 20 years' experience with the Group. He has an MBA from London Business School and previously worked at KPMG. He also chairs the Finance, Audit & Risk Committee at Marylebone Boys' School and is a Director of Mischief & Mayhem Wines. Andrew was previously CFO and has been a Director on the Group's Board since 2001.

Andrew King

Chairman of Remuneration Committee

Non-executive Director

Member of Audit and Risk Committee

Andrew is the director appointed by shareholders. He trained as a butcher and co-founded Tendercut Meats in 1982. He also had several business ventures in a number of sectors including serving as Chairman for Hamble Yacht Services. Andrew has been a Director on the Group's Board since 2010.

Adam Olins

Chief Executive of BerryWorld Group

Adam was the Managing Director of BerryWorld and in 2007, also became Managing Director of the Poupart Group. In January 2016, Adam relinquished the title of Managing Director of the Poupart Group to fully focus on growing the BerryWorld businesses across the globe as Chief Executive Officer of BerryWorld Group.

Joe Sinyor

Non-executive Director

Joe joined the Board in June 2023 as an independent non-executive director. His background is as an operating partner in private equity owned businesses in international consumer and industrial sectors. Prior to that, he was CEO of a number of businesses in the UK.

Steve Wootten

Chairman of Audit and Risk Committee

Non-executive Director

Member of Remuneration Committee

Steve was with PwC for 38 years, 28 as an audit partner specialising in Retail and Consumer Goods clients. He joined the Board as an Independent Non-Executive Director in June 2019. He is also a Trustee of The Change Foundation, a charity which helps to improve the lives of marginalised young people through the power of sport. In addition, he was also a member of the General Committee of Surrey County Cricket Club until April 2022.



Strategic Report (continued)

Performance management

Annual budgets and longer-term financial plans are developed by the Directors to target improved business performance. The Directors review the performance of all business units through comprehensive monthly business reviews, comparing actual results against budgeted expectations and prior year achievements. Particular emphasis is placed on monitoring turnover, operating costs, EBITDA, cash flows, debt and working capital levels. In addition, other key performance indicators monitored by the Directors are as follows:

Measure	2022	2021	Performance
Adjusted continuing EBITDA growth: this measure shows the underlying trend and performance of the business.	(12.0)%	153.6%	Despite an increase in turnover, adjusted continuing EBITDA decreased compared to last year, reflecting the economic challenges noted earlier in the strategic report, principally increased energy and labour costs.
Return on capital employed: this ratio is a relative profit measurement that demonstrates the adjusted return the business is generating from its gross assets	5.1%	5.8%	ROCE decreased as a result of the reduction in the adjusted profits as noted above, and the increase in fixed assets following the investment in the PrepWorld Northfleet facility.
Free cash flow: this measures the cash generated by the Group's operations after investments and tax.	£(11.9)m	£11.0m	The Group made investments during the year in projects intended to achieve future growth demonstrating our strength and commitment to our future growth plans.
Interest coverage: this ratio shows the ease with which interest payments can be met and is calculated as adjusted EBITDA divided by net interest payable.	4.9x	6.4x	The Group's ability to meet its interest obligations continues to be satisfactory The Group can service its debt.

Managing risk

As with any business, the Group faces a range of risks and uncertainties in the course of its activities. The Board views effective risk management as part of its role in providing strategic oversight to the Group. In order to deliver our strategic plans, we must understand and respond appropriately to risk and also consider whether additional business opportunities can be realised through effective risk management.

The Board has overall responsibility for the Group's risk management framework, which is reviewed by the Audit and Risk Committee. The implementation of risk management and internal control systems is the responsibility of the executive Directors and other senior management.



Strategic Report (continued)

Managing risk (continued)

The Directors have identified the following principal risks and uncertainties that could have the most significant impact on the Group's value generation:

Risk area	Nature of risk and possible repercussion	Mitigation
Operational risk:		
State of the economy	The Group's ability to deliver continued improvements in trading and performance could be adversely impacted by the individual or aggregate impact of an increasingly complex set of external factors. The ongoing consequences of the pandemic, geo-political and economic uncertainties (both national and international) and the resultant cost of living crisis, are combining to generate difficult and unpredictable trading conditions.	Although the Group cannot directly influence general economic conditions or consumer spending, the range of products across the Group offers affordable choice to most socio-economic groups thus covering any changes to consumer and market trends. The Group's operational capability enables us to adapt quickly to changing consumer trends. Our activities are increasingly less dependent on the UK economy, enabling our operations to diversify economic risk.
Competitive environment and customer risk	The loss of all or part of the Group's business with one or more of its major customers would adversely impact the Group's results.	Through scale, investment in the supply chain and development of proprietary varieties the soft fruit divisions have positioned themselves well in the market. At customer level, the monitoring of key performance indicators, such as service levels and customer complaints, enables the business to ensure it offers excellent customer service, quality products, low costs and innovative product development.
Product safety and quality	A breach of food safety legislation may lead to reputational damage and regulatory penalties, including restrictions on operations, damages or fines.	The safety and integrity of our products are managed throughout the supply chain. Product safety is put before economic considerations. Our businesses employ quality control specialists and operate strict policies within an organisational culture of hygiene and product safety to ensure that consistently high standards are maintained in our operations and in the handling and sourcing of raw materials. All sites operate food safety systems that are regularly reviewed to ensure they remain effective, including compliance with all regulatory requirements for food hygiene and safety.



Strategic Report (continued)

Managing risk (continued)

Risk area	Nature of risk and possible repercussion	Mitigation
Climate and sustainability	An inability to reduce the impact of our business on the environment or manage the consequences of climate change on our business would fail to meet the expectations of our customers.	The Company operates in many geographies and, via our well established grower network, is well placed to adapt to rising temperatures. The Company is focused on reducing environmental impact through improved growing techniques, tailored packaging innovations, supply optimisation, monitoring trends, empowering our people and ensuring proper working conditions.
Workplace health and safety	Many of our operations by their nature have the potential for injuries and accidents to employees, contractors and visitors	Staff safety, alongside food safety, is a high priority for our businesses with active endorsement and accountability from the Managing Directors of each business. Our Health and Safety Policy and practices are firmly embedded in each business supporting a strong ethos of workplace safety and is a standard agenda item for Group Board meetings. The Group's Health & Safety Officer conducts audits to verify implementation of policies and to support continuous improvement. Best practice safety and occupational health training is provided across the businesses.
Price and supply of raw materials	The price and supply of raw materials is largely influenced by the environment, including those noted in the 'state of the economy' risk section, in which the product originates. Changes in price would impact the core profitability of the Group's business and any related shortage in supply will impact the business' ability to maintain its service levels to customers.	BerryWorld Group has developed close working relationships with growers and retailers. This year we have again invested in fruit supply and the grower base. The rest of the Group maintains a high level of expertise in its buying teams, enabling it to monitor raw material sources on a global basis and seek to negotiate forward purchase contracts where appropriate with key suppliers. The teams also cultivate strong relationships with major suppliers to ensure continuity of supply at competitive prices. The Group continues to plan to recover rising costs through both pricing and efficiency improvements, new product development and continued investment in new varieties.
Quality of raw materials	The Group could be negatively impacted should it be supplied with raw materials which do not meet the Group's high standards.	The Group continues to work closely with its suppliers to certify that the raw materials sourced are of the highest quality. BerryWorld Group has exclusive access to leading soft fruit varieties and has developed its own varieties, ensuring their quality. The Group ensures traceability of its produce in order to monitor the quality and derivation of its raw materials.
Business continuity	The Group operates from several sites, the loss of which, for example as a result of fire, would present significant operational difficulties.	The Group's operations have business continuity plans in place to manage the impact of such an event should it occur and insurance programmes to mitigate the financial consequences.



Strategic Report (continued)

Managing risk (continued)

Risk area	Nature of risk and possible repercussion	Mitigation
Litigation risk	The Group is from time to time party to legal proceedings and claims that arise in the ordinary course of business.	The Group has systems in place to manage the impact of such litigation. The Group regularly reviews all legal risks and takes steps to monitor legal risks and, where appropriate, engage legal representation.
Breaches of IT and information security	Our delivery of efficient and effective operations is enhanced by sharing information and the use of technologies. We are, therefore, subject to threats such as computer viruses and the loss or theft of data. There is also the potential for disruption to operations from unforeseen IT and system malfunctions or external attack.	We seek to understand the changing cyber risks and how these will impact our businesses. We have well-established processes, IT security policies and technologies in place to minimise the risk of a virus or theft. Access to sensitive data is restricted and closely monitored. Robust disaster recovery plans are in place for business critical applications. The Group closely monitors its compliance with the Data Protection Act throughout its businesses. Policies have been implemented in order to minimise the risk of data breaches and to ensure, in the event of a breach, that the appropriate action is taken.
Financial risk:		
Movement in interest rates and exchange rates	The Group borrows funds to finance working capital and capital investment. Bank borrowings vary considerably throughout the year. Such borrowings have variable interest rates based upon banks' base rates and interest risks are, therefore, subject to fluctuations in such rates, including the current increasing rates. The Group is exposed to foreign currency risk on purchases of imported materials.	The Group enters into interest rate swaps and future forward currency contracts to manage its exposure to floating interest rate debt and currency fluctuations. As noted in the performance management section, the Group is able to continue to meet its interest obligations with the current increasing interest rates
Credit	A large proportion of sales are made on credit terms. The Group is exposed to counter party credit risk when dealing with customers and from certain financing activities. Granting of credit to inappropriate parties or failure to collect debts on a timely basis could leave the Group exposed to losses.	The Group maintains strong relationships with each of its key customers and has established credit control parameters. Credit evaluations are performed on all customers requiring significant credit and outstanding debts are continuously monitored by each business. Aggregate exposures are monitored at Board level and, where appropriate, limits are set for higher risk counterparties. In addition, the Group maintains credit insurance where appropriate.



Strategic Report (continued)

Managing risk (continued)

Risk area	Nature of risk and possible repercussion	Mitigation
Liquidity	The Group needs access to funding for current business and future growth.	The Group has committed bank facilities available to meet its long-term capital obligations with sufficient headroom to meet any unforeseen obligations and opportunities. Banks are selected for their credit status, global reach and ability to meet the businesses' day-to-day banking requirements. Debt is managed centrally and appropriate headroom is maintained.
Human Resources:		
People	The Group is dependent on continuing to attract, retain, develop and motivate the best people with the right capabilities at all levels in the organisation.	The Group mitigates the risk associated with loss of key personnel through succession planning, strong recruitment processes, effective incentives and ongoing training and development.

Employees

Equal opportunities – the Group is committed to offering equal opportunities to all individuals within its businesses through recruitment, training and career development. Full and fair consideration is given to applicants with disabilities and every effort is made to give employees who become disabled while employed by the Group an opportunity for retraining.

Harassment – a zero tolerance policy exists towards all forms of harassment in the workplace. We encourage our people to report incidents of harassment to the appropriate human resources manager.

Communication – the Group places considerable value on the involvement of its staff and has continued its policy of communication, consultation and involvement. Information is provided to staff on matters which concern them and staff are consulted to obtain their views on matters which affect their interests.

Involvement – the Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and the financial and economic factors that affect the performance of the Group. This is achieved through formal and informal meetings and employees are also consulted for their views on matters affecting them. Involvement of employees in the Group's performance is encouraged through the use of bonuses based on wider group performance.

On behalf of the Board

D J Gray
Director
29 September 2023

The Henley Building
Newton Road
Henley on Thames
Oxfordshire
RG9 1HG



Directors' Report

The Directors present their Annual Report and the audited consolidated financial statements for the year ended 31 December 2022

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements, unless otherwise stated, were:

M R Mountford (Chairman)
 A J Daines
 J L Fallowfield-Smith
 D J Gray
 A S King
 A L Olins
 J Sinyor (appointed 6 June 2023)
 S Wooten

Financial instruments, future outlook and employees

Details on financial instruments can be found within the Managing Risk section in the Strategic Report. Future outlook and employee statement are detailed in the Strategic Report.

Dividends

No dividends were paid or proposed on ordinary shares during the year (2021: £nil).

Research and development

Innovation in supply chain and technologies remains important to our business success and we expect the level of research and development to increase over the next five years. Research and development costs of £858,000 (2021: £877,000) were charged to the Income Statement during the year.

Streamlined Energy and Carbon Reporting

Argent Foods Limited Group undertook energy savings opportunity scheme ("ESOS") compliance and is reviewing the energy saving recommendations with a view to future implementation. The decrease in energy usage in 2022 is due to the sale of Fairfax Meadow Europe Limited, including the Tendercut Meats business, in October 2021.

Energy Consumption		2022 Energy Units	2021 Energy Units	Variance
Scope 1 – Combustion of fuel and operation of facilities	Natural Gas (kWh)	297,173	973,598	(69.5)%
	Direct Transport (kWh)	335,395	6,261,809	(94.6)%
	LPG (kWh)	54,365	-	100.0%
	Kerosene (kWh)	-	20,587	(100.0)%
	Refrigerants (kg)*	716	38	1,784.2%
	Total Scope 1 Energy (kWh) excl. refrigerants	686,933	7,255,994	(90.5)%
Scope 2 – Electricity purchased	Total Grid Electricity (kWh)	5,703,599	8,346,310	(31.7)%
	Total Electric Vehicles (kWh)	1,893	-	100.0%
Scope 3 – Indirect Transport	Employee/personal/hire vehicles (kWh)	53,375	96,352	(44.6)%
Total Scope 1,2&3 Energy consumption (kWh)		6,445,800	15,698,656	(58.9)%

*Refrigerant additions since 2021 include a 530kg top up to the ammonia system due to a culmination of small leaks over a number of years.



Directors' Report (continued)

Streamlined Energy and Carbon Reporting (continued)

Emissions Assessment		2022 tCO ₂ e	2021 tCO ₂ e	Variance
Scope 1 – Combustion of fuel and operation of facilities	Natural Gas (tCO ₂ e)	54	178	(69.7)%
	Direct Transport (tCO ₂ e)	82	1,486	(94.5)%
	LPG (tCO ₂ e)	12	-	100.0%
	Kerosene (tCO ₂ e)	-	5	(100.0)%
	Refrigerants (tCO ₂ e)	227	102	122.5%
	Total Scope 1 Energy (tCO₂e)	375	1,771	(78.8)%
Scope 2 – Electricity purchased and heat and steam generated	Location Based (LB) (tCO ₂ e)	1,103	1,772	(37.8)%
	Electric Vehicles (tCO ₂ e)	1	-	100.0%
	Market Based (MB) (tCO ₂ e)	365	396	(7.8)%
Scope 3 – Indirect Transport	Employee/personal/hire vehicles (tCO ₂ e)	13	24	(45.8)%
Location Based	Total Gross Scope 1,2&3 Emissions (tCO₂e)	1,492	3,567	(58.2)%
Market Based	Total Gross Scope 1,2&3 Emissions (tCO₂e)	754	2,191	(65.6)%
Intensity Metric Assessment		2022	2021	Variance
Intensity Ratio 1	(tCO ₂ e/£m)	3.93	7.91	(50.3)%

The DEFRA/BEIS GHG 2022 Conversion emissions factor has been applied to this Report. No mandatory emissions have been excluded and it is aligned with the GHG protocol. None of the energy or emissions data is based on estimated or extrapolated values. The scope of emissions included in this Report are electricity, natural gas, direct transport, indirect transport, LPG and refrigerants.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation

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

Under company law, 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 Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.



Directors' Report (continued)

Statement of Directors' responsibilities in respect of the financial statements (continued)

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Directors are aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

Going concern

The Board has considered the forward financial position for the Group as a whole, including detailed financial models to December 2024. On the basis of these forecasts, having regard to existing and forecast liquidity, the availability of various external financial facilities and consideration of any associated bank covenants, the Directors are confident that the Group currently has sufficient financial resources available to continue in operational existence for a minimum of 12 months from the date of signing of this report. Post year end the Group refinanced equipping the Group with sufficient financial facilities for the next three years, see note 33. Post year end, the Group paid the full and final settlement of the legal case, see note 33. This was funded by the sale of a minority interest in BerryWorld Group Holdings Limited. On top of the strength and resilience of the Group's balance sheet and its diverse business portfolio, the Group benefits from the tenacity, entrepreneurship and flexibility of its employees, and strong support from our lenders and shareholders. Based on these circumstances we continue to adopt the going concern basis in preparing the financial statements.

Post balance sheet events

Significant events affecting the Group that have arisen between 31 December 2022 and the date of this report and that require disclosure are described in note 33.

Independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office for the coming year.

On behalf of the Board

J L Fallowfield-Smith
Director
29 September 2023

The Henley Building
Newton Road
Henley on Thames
Oxfordshire
RG9 1HG



Independent auditors' report to the members of Argent Foods Limited

Report on the audit of the financial statements

Opinion

In our opinion, Argent Foods Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2022 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with *United Kingdom Generally Accepted Accounting Practice* (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the Consolidated and Company Statements of Financial Position as at 31 December 2022; the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.



Independent auditors' report to the members of Argent Foods Limited (continued)

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to corporation tax regulation in the jurisdictions in which the Group operates, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of unusual journals outside the normal course of business, significant estimates, revenue recognition journal entries in order to manipulate the Group's performance profit measures and other key performance indicators to meet remuneration targets. Audit procedures performed by the engagement team included:

- Obtaining an understanding of the legal and regulatory frameworks applicable to the Company and the Group, including those relating to the reporting framework and relevant tax compliance regulations.
- Inquiring with management to understand how the business complies with key frameworks. These inquiries were corroborated through review of Board minutes.
- Obtaining Company's assessment of the key fraud risks and the controls and procedures that are in operation to detect and prevent fraud.
- Our procedures involved using: Computer Assisted Audit Techniques ("CAATS") to analyse all journals to identify any unusual, unexpected or significantly material journals for specific follow up and testing. Significant accounting estimates were tested for possible management bias. As required by ISA 240, an element of unpredictability was incorporated into our audit testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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. This description forms part of our auditors' report.



Independent auditors' report to the members of Argent Foods Limited (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility

Andrew Latham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford

3.11 September 2023



Consolidated Income Statement

for the year ended 31 December 2022

			2021 £'000		
	Note	2022 £'000	Continuing operations	Discontinued operations	Total
Turnover	2	608,631	597,557	65,992	663,549
Cost of sales		(556,629)	(536,031)	(61,732)	(597,763)
Gross profit		52,002	61,526	4,260	65,786
Distribution costs		(460)	(533)	(2,683)	(3,216)
Administrative expenses:					
Before exceptional items		(49,403)	(57,632)	(4,224)	(61,856)
Exceptional items	3	(31,681)	(6,472)	-	(6,472)
Total administrative expenses		(81,084)	(64,104)	(4,224)	(68,328)
Other operating income	4	2,822	3,151	1,281	4,432
Loss on disposal of property, plant and equipment and investment properties	5	-	(5)	-	(5)
Revaluation of investment properties and investments	14, 15	(88)	1,629	-	1,629
Profit on disposal of subsidiary		-	13,924	-	13,924
Operating (loss)/profit		(26,808)	15,588	(1,366)	14,222
Profit from interests in associated undertakings		2,114	2,308	-	2,308
(Loss)/profit before interest and taxation	5	(24,694)	17,896	(1,366)	16,530
Other interest receivable and similar income		883	701	-	701
Interest payable and similar expenses		(3,859)	(3,135)	(148)	(3,283)
Net interest expense	8	(2,976)	(2,434)	(148)	(2,582)
(Loss)/profit before taxation		(27,670)	15,462	(1,514)	13,948
Tax on (loss)/profit	9	4,901	(2,500)	220	(2,280)
(Loss)/profit for the financial year		(22,769)	12,962	(1,294)	11,668
Attributable to:					
Owners of the parent		(14,983)	11,602	(1,294)	10,308
Non-controlling interests		(7,786)	1,360	-	1,360
(Loss)/profit for the financial year		(22,769)	12,962	(1,294)	11,668



Consolidated Statement of Comprehensive Income

for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000		
			Continuing operations	Discontinued operations	Total
(Loss)/profit for the financial year		(22,769)	12,962	(1,294)	11,668
Other Comprehensive Loss					
Currency translation difference on foreign investments		779	(1,604)	-	(1,604)
Actuarial (loss)/gain relating to pension schemes	24	(2,447)	1,329	-	1,329
Deferred tax credit/(charge) attributable to actuarial (loss)/gain	10	424	(1,181)	-	(1,181)
Deferred tax on unrealised gain on property revaluation	10	-	(25)	-	(25)
Total Other Comprehensive Loss, net of tax		(1,244)	(1,481)	-	(1,481)
Total Comprehensive (Loss)/Income for the year		(24,013)	11,481	(1,294)	10,187
Attributable to:					
Owners of the parent		(16,509)	10,709	(1,294)	9,415
Non-controlling interests		(7,504)	772	-	772
Total Comprehensive (Loss)/Income for the year		(24,013)	11,481	(1,294)	10,187



Consolidated Statement of Financial Position

as at 31 December 2022

	Note	2022 £'000	2021 £'000
Non-current assets			
Intangible assets	12	17,648	20,720
Property, plant and equipment	13	33,045	26,546
Investment properties	14	19,175	19,175
Investments	15	1,213	1,318
		71,081	67,759
Current assets			
Inventories	16	7,465	7,397
Debtors (including £15,918,000 (2021: £9,451,000) amounts falling due after more than one year)	17	99,638	80,538
Cash at bank and in hand		8,229	10,097
		115,332	98,032
Creditors: amounts falling due within one year	18	(89,418)	(76,748)
Net current assets		25,914	21,284
Total assets less current liabilities		96,995	89,043
Creditors: amounts falling due after more than one year	19	(38,491)	(36,416)
Provisions for liabilities	22	(39,970)	(11,758)
Pension asset	24	416	2,313
Net assets		18,950	43,182
Capital and reserves			
Called up share capital	25	1,006	1,006
Share premium account		360	360
Revaluation reserve		9,761	9,827
Accumulated losses		(22,404)	(5,961)
Total equity attributable to owners of the parent		(11,277)	5,232
Non-controlling interests		30,227	37,950
Total equity		18,950	43,182

The financial statements on pages 19 to 59 were approved by the Board of Directors on 29 September 2023 and were signed on its behalf by:

J L Fallowfield-Smith
Director



Company Statement of Financial Position

as at 31 December 2022

	Note	2022 £'000	2021 £'000
Non-current assets			
Property, plant and equipment	13	2	49
Investments	15	35,567	35,567
		35,569	35,616
Current assets			
Debtors	17	1,304	1,870
Cash at bank and in hand		4,918	747
		6,222	2,617
Creditors: amounts falling due within one year	18	(11,853)	(11,981)
Net current liabilities		(5,631)	(9,364)
Total assets less current liabilities		29,938	26,252
Creditors: amounts falling due after more than one year	19	(24,321)	(15,095)
Provisions for liabilities	22	(1,930)	(3,356)
Net assets		3,687	7,801
Capital and reserves			
Called up share capital	25	1,006	1,006
Share premium account		360	360
Retained earnings		2,321	6,435
Total equity		3,687	7,801

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company Income Statement. The loss for the Company for the year was £4,114,000 (2021: loss of £3,895,000).

The financial statements on pages 19 to 59 were approved by the Board of Directors on 29 September 2023 and were signed on its behalf by:

J L Fallowfield-Smith
Director



Consolidated Statement of Changes in Equity

for the year ended 31 December 2022

	Attributable to equity shareholders						Total equity £'000
	Called up share capital £'000	Share premium account £'000	Revaluation reserve £'000	Accumulated losses £'000	Equity attributable to owners of the parent £'000	Non- controlling interests £'000	
Balance at 1 January 2021	1,006	360	9,593	(15,142)	(4,183)	37,405	33,222
Profit for the financial year	-	-	234	10,074	10,308	1,360	11,668
Other Comprehensive Loss for the year	-	-	-	(893)	(893)	(588)	(1,481)
Total Comprehensive Income for the year	-	-	234	9,181	9,415	772	10,187
Transactions with owners							
Dividends paid to non-controlling interests	-	-	-	-	-	(227)	(227)
Total Transactions with owners	-	-	-	-	-	(227)	(227)
Balance at 31 December 2021	1,006	360	9,827	(5,961)	5,232	37,950	43,182
Loss for the financial year	-	-	(66)	(14,917)	(14,983)	(7,786)	(22,769)
Other Comprehensive Loss for the year	-	-	-	(1,526)	(1,526)	282	(1,244)
Total Comprehensive Loss for the year	-	-	(66)	(16,443)	(16,509)	(7,504)	(24,013)
Transactions with owners							
Dividends paid to non-controlling interests	-	-	-	-	-	(219)	(219)
Total Transactions with owners	-	-	-	-	-	(219)	(219)
Balance at 31 December 2022	1,006	360	9,761	(22,404)	(11,277)	30,227	18,950



Company Statement of Changes in Equity

for the year ended 31 December 2022

	Called up share capital £'000	Share premium account £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2021	1,006	360	10,330	11,696
Total Comprehensive Loss for the year	-	-	(3,895)	(3,895)
Balance at 31 December 2021	1,006	360	6,435	7,801
Total Comprehensive Loss for the year	-	-	(4,114)	(4,114)
Balance at 31 December 2022	1,006	360	2,321	3,687



Consolidated Statement of Cash Flows

for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Net cash (used in)/ generated from operating activities	26	(1,029)	1,360
Tax paid		(1,689)	(1,731)
Net cash used in operating activities		(2,718)	(371)
Cash flow from investing activities			
Proceeds on sale of subsidiary (net of cash disposed)		-	17,191
Proceeds on sale of property, plant and equipment		5	19
Purchase of property, plant and equipment and other assets		(10,029)	(8,066)
Investment in subsidiaries		(1,559)	(134)
Interest received		836	701
Dividends received from associates		1,490	1,609
Dividends received from other investments		55	28
Net cash (used in)/generated from investing activities		(9,202)	11,348
Cash flow from financing activities			
Addition/(repayment) of debt facilities		14,081	(5,320)
Addition/(repayment) of unsecured loan		382	(323)
Repayment of obligations under finance leases		(654)	(955)
Preference dividends paid		(241)	(311)
Dividends paid to non-controlling interests		(219)	(227)
Interest paid		(3,618)	(2,935)
Net cash generated from/(used in) financing activities		9,731	(10,071)
Net (decrease)/increase in cash and cash equivalents		(2,189)	906
Effect of exchange rates on cash and cash equivalents		321	(440)
Cash and cash equivalents at the beginning of the year		10,097	9,631
Cash and cash equivalents at the end of the year		8,229	10,097
Net (decrease)/increase in cash and cash equivalents		(2,189)	906
Effect of exchange rates on cash and cash equivalents		321	(440)
(Increase in)/repayment of debt		(14,281)	13,637
Change in net debt resulting from cash flows		(16,149)	14,103
Net debt at the beginning of the year		(31,530)	(45,633)
Net debt at the end of the year	27	(47,679)	(31,530)



Notes to the financial statements

for the year ended 31 December 2022

1. Accounting policies

General information

Argent Foods Limited is the holding Company for the Argent Foods Limited group ("the Group"). The Group's activities during the year were focused on the food sector and principally concern the processing, procurement, supply and marketing of fresh fruit and produce, poultry, and animal by-products.

The Company is a private company limited by shares and is incorporated and domiciled in England, registration number 07081161. The address of its registered office is The Henley Building, Newton Road, Henley on Thames, Oxfordshire, RG9 1HG.

Statement of compliance

The Group and individual financial statements of Argent Foods Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Basis of preparation

The financial statements are presented in Sterling and rounded to the nearest thousand, unless otherwise stated. They are prepared on a going concern basis (see below) under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through profit or loss, and in accordance with FRS 102 and the Companies Act 2006.

Under Section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own Income Statement.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Group's shareholders. The Company has taken advantage of the following exemptions in its financial statements:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows; FRS 102 p.1.12;
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures; and
- from the key management personnel disclosure, on the basis that key management personnel and Directors are the same; FRS 102 33.7A.

Going concern

The Board has considered the forward financial position for the Group as a whole, including detailed financial models to December 2024. On the basis of these forecasts, having regard to existing and forecast liquidity, the availability of various external financial facilities and consideration of any associated bank covenants, the Directors are confident that the Group currently has sufficient financial resources available to continue in operational existence for a minimum of 12 months from the date of signing of this report. Post year end the Group refinanced equipping the Group with sufficient financial facilities for the next three years, see note 33. Post year end, the Group's Balance Sheet was enhanced by the minority interest investment in BerryWorld Group Holdings Limited. This enabled the Group to reach a full and final settlement of the legal case, see note 33, which has removed any uncertainty over the outcome of the judgement and appeal. On top of the strength and resilience of the Group's balance sheet and its diverse business portfolio, the Group benefits from the tenacity, entrepreneurship and flexibility of its employees, and strong support from our lenders and shareholders. Based on these circumstances the Directors continue to adopt the going concern basis in preparing the financial statements.



Notes to the financial statements (continued)

for the year ended 31 December 2022

1. Accounting policies (continued)

Basis of consolidation

Argent Foods Limited is a Company incorporated in England and Wales. The Group's financial statements include the financial statements of the Company and its subsidiaries controlled by the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All subsidiaries have financial year ends that are coterminous with the Company's financial year end of 31 December.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Group holds a long-term interest and where the Group has significant influence. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of associates are accounted for using the equity method of accounting. The Consolidated Income Statement includes the Group's share of associates' profits less losses while the Group's share of net assets of its associates is shown in the Consolidated Statement of Financial Position.

Uniform accounting policies have been consistently applied across the Group. Any profits or losses on intra group transactions and investors' share of profits or losses on transactions with associates have been eliminated on consolidation.

Declaration of guarantee

Under Section 479a of the Companies Act 2006, exemptions from an audit of the financial statements for the financial year ended 31 December 2022 have been taken by Argent Holdings Limited (03407545), Argent Meat Traders Limited (003680420), Argent Group Europe Limited (05823362), Barker & Hird (PP) Limited (02362856), Barker & Hird (WF) Limited (SC009957), BerryWorld Group Limited (09403144), BerryWorld Group Holdings Limited (14172407), BerryWorld US Holdings Limited (14172022), Broad Stripe Butchers Limited (04074358), Citrus First (UK) Limited (07953609), FM (Derby) Limited (06823442), FM Hatton Group Limited (10408149), Norton Folgate Holdings Limited (06414731), Orchard Fruit Holdings Limited (13361790), OrchardWorld Holdings Limited (05652227), Poupart Limited (00310358), Poupart BerryWorld Holdings (14171788), The Orchard Fruit Company Limited (11121347), Traiteur Properties (KT) Limited (04969369) and TM (Eastleigh) Limited (02926627). As required, the Company guarantees all outstanding liabilities to which the subsidiary companies listed above are subject at the end of the financial year, until they are satisfied in full and the guarantee is enforceable against the parent undertaking by any person to whom any of the subsidiary companies listed above is liable in respect of those liabilities.

Summary of significant accounting policies



Accounting policies are disclosed within each of the applicable notes to the financial statements and are designated by this box. They have been applied consistently in dealing with items which are considered material in relation to the financial statements throughout the year and preceding year.

Foreign currencies

The Group financial statements are presented in pounds Sterling and are rounded to the nearest thousand, unless otherwise stated. The Group's functional and presentational currency is the pound Sterling. Foreign currency transactions are translated into the functional currency using the rate ruling at the date of transaction or at a forward rate where appropriate. At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.



Notes to the financial statements (continued)

for the year ended 31 December 2022

1. Accounting policies (continued)

Foreign currencies (continued)

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement within administrative expenses.

The trading results of Group undertakings are translated into Sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year-end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in Other Comprehensive Income and allocated to non-controlling interest as appropriate.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand net of bank overdrafts when there is a cash pooling arrangement. The Company's bank overdraft is shown within borrowings in current liabilities.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key accounting estimates and assumptions

a) Fair value of investment properties (note 14)

Investment properties are held under the revaluation model. This requires the fair value of each investment property to be established, and the gain or loss for each year to be taken through the Income Statement if designated an investment property. The fair value has been established by management through use of property experts, where necessary.

b) Impairment of goodwill and property, plant and equipment (notes 12 & 13)

The carrying amounts of the Group's intangible assets and property, plant and equipment are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment charge is recognised in the Income Statement whenever the carrying amount of an asset exceeds its recoverable amount.

c) Provisions (note 22)

Provision has been made for the requirement to make repairs on dilapidations under the terms of certain property leases. This requires management's best estimate of costs that will be incurred based on legislative and contractual requirements. Provisions include deferred tax liabilities. The accounting policy for deferred taxation is included in note 23. Provisions include associate losses in excess of investment. The accounting policy for investments is included in note 15. Provisions include the full and final settlement of the legal case – see note 33. This has been recognised as the actual cost paid in June 2023.

d) Defined benefit pension scheme (note 24)

The Group has obligations to pay pension benefits to certain current and former employees. The cost of these benefits and the present value of the obligations depend on a number of factors including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Independent actuarial advice has been used to determine the net pension obligation in the Statement of Financial Position. The assumptions reflect historical experience and current trends.



Notes to the financial statements (continued)

for the year ended 31 December 2022

1. Accounting policies (continued)

Key accounting estimates and assumptions (continued)

e) Impairment of debtors (note 17)

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

In February 2021, proceedings were instigated in Spain against the Group's subsidiaries BerryWorld Limited and BerryWorld Europe B.V.. See note 29 for further details. A loan was made to the claimant of this litigation by the Group in 2017 for repayment in 2027. The amount outstanding as at 31 December 2022 was €7.0 million which is included in other debtors (see note 17). This has since been repaid by the claimant as part of the final settlement of the claim. Therefore no provision has been made against it.

2. Turnover



Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, it is probable that the economic benefit will flow to the Group and the amount of revenue can be measured reliably.

Turnover represents the value of goods and services supplied, net of value added tax and trade discounts.

Segmental reporting is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure and combines businesses with common characteristics. Segmental turnover includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The Group is managed through three pillars or business segments: BerryWorld & Poupart Imports Group, The Orchard Fruit Group and Poultry Group (2021 also included a fourth pillar being the Fairfax Meadow Group). An analysis of turnover has been provided by reportable segment.

	BerryWorld & Poupart Imports Group £'000	The Orchard Fruit Group £'000	Fairfax Meadow Group (discontinued operations 2021) £'000	Poultry Group £'000	Total £'000
2022	550,080	51,407	-	7,144	608,631
*2021	503,453	87,865	65,992	6,239	663,549

*2021 figures have been restated as Poupart Imports has been moved to a different pillar of the Group. There has been no change to overall Group turnover.

Geographical segments

The second format, which is on a geographical basis, presents turnover for the following geographical segments: United Kingdom, Continental Europe and Rest of the World.

	United Kingdom £'000	Continental Europe £'000	Rest of the World £'000	Total £'000
2022	380,851	203,385	24,395	608,631
2021	453,517	189,622	20,410	663,549



Notes to the financial statements (continued)

for the year ended 31 December 2022

3. Exceptional items



Exceptional items are defined as items of income and expenditure which are material and unusual in nature and which are considered to be of such significance that they require separate disclosure on the face of the income statement.

	2022 £'000	2021 £'000		Total
		Continuing operations	Discontinued operations	
Charged in arriving at operating (loss)/profit:				
Exceptional items	31,681	6,472	-	6,472
Total exceptional items	31,681	6,472	-	6,472

Exceptional costs in 2022 include costs relating to Argent Foods Limited's subsidiaries;

- Includes the full and final settlement of the legal case – see note 33.
- BerryWorld Limited: legal fees associated with the claim noted in note 1 and duplicate site running costs for the division, PrepWorld, following notice being given on the Southfleet site.
- *New Zealand Light Leathers Limited: residual closure costs following the sale of the Company's trade and assets on 22 December 2019.*
- Poupart Holdings Limited: legal and professional fees incurred as part of a Group reorganisation

Exceptional costs in 2021 include costs relating to Argent Foods Limited's subsidiaries;

- Argent Foods Limited: the 12th anniversary of the buy-out of the subsidiary Group, Argent Group Europe Limited, triggered an additional payment to the former shareholders. The payment will take place in 2022 and 2023. No provision was previously recognised as it could not be reliably measured.
- BerryWorld Group Limited: legal and professional fees incurred as part of a Group reorganisation
- BerryWorld Limited: legal fees associated with the claim noted in note 1 and duplicate site running costs for the division, PrepWorld, following notice being given on the Southfleet site.
- Beekers Holding B.V.: insurance income received.
- *New Zealand Light Leathers Limited: residual closure costs following the sale of the Company's trade and assets on 22 December 2019.*

4. Other operating income



Government grants are recognised in the profit and loss account when there is reasonable assurance that the entity has met the conditions attached to it and it becomes receivable.

	2022 £'000	2021 £'000		Total
		Continuing operations	Discontinued operations	
Government grants (furlough income)	-	38	1,281	1,319
Other operating income	2,822	3,113	-	3,113
Total other operating income	2,822	3,151	1,281	4,432



Notes to the financial statements (continued)

for the year ended 31 December 2022

5. (Loss)/profit before interest and taxation

(Loss)/profit before interest and taxation is stated after charging/(crediting):

	2022 £'000	2021 £'000
Group Auditors' remuneration:		
- fees payable to the Company's auditors for the audit of the Group's annual financial statements	40	55
- fees payable to the Company's auditors for the audit of the Company's subsidiaries' annual financial statements	237	221
Other Auditors' remuneration		
- fees payable for the audit of the Company's subsidiaries' annual financial statements	76	70
Amortisation of intangible assets (note 12)	3,776	3,760
Amortisation of investments (note 15)	-	748
Depreciation of property, plant and equipment (note 13)		
- owned	2,816	3,079
- assets held under finance leases and hire purchase contracts	818	996
Revaluation of investments (note 15)	88	(529)
Reversal of impairment of inventory (note 16)	(187)	(128)
(Reversal of)/charge to impairment of debtors (note 17)	(182)	681
Foreign exchange gain resulting from the settlement of transactions	(605)	(764)
Operating lease rentals		
- plant and machinery	918	1,589
- land and buildings	3,885	4,574
Loss on disposal of fixed assets	-	5
Research and development costs	858	877

6. Directors' remuneration

	2022 £'000	2021 £'000
Emoluments	1,439	2,336
Company contributions to money purchase pension schemes	18	16
	1,457	2,352

The number of Directors who:

	2022 Number	2021 Number
Are members of money purchase pension schemes	1	2



Notes to the financial statements (continued)

for the year ended 31 December 2022

6. Directors' remuneration (continued)

Remuneration of the highest paid Director:

	2022 £'000	2021 £'000
Emoluments	837	907
Company contributions to money purchase pension schemes	-	-
	837	907
<i>Defined benefit scheme</i>		
Accrued pension at end of year	-	-

The Chief Executive Officer did not receive any remuneration during the current year or prior year from the Group but did receive remuneration from the Parent Company, Fletcher Bay Group Limited. The remuneration is recharged to the Group via a management fee. Please see note 30 for more details.

7. Employment



The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the year in which the service is received.

Further details on pension arrangements are detailed in note 24.

The average monthly number of persons (including executive and non-executive Directors) employed during the year was:

	Group		Company	
	2022 Number	2021 Number	2022 Number	2021 Number
Administration	456	505	12	17
Selling and distribution	88	135	-	-
Production and manufacturing	606	855	-	-
	1,150	1,495	12	17

Their aggregate remuneration comprised:

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Wages and salaries	45,369	50,644	1,863	2,446
Social security costs	5,204	5,806	154	268
Other pension costs	1,659	1,536	44	35
	52,232	57,986	2,061	2,749



Notes to the financial statements (continued)

for the year ended 31 December 2022

8. Net interest expense



Interest receivable and similar income comprises dividends received during the accounting year and interest receivable on investments. Interest is recognised using the effective interest rate method. Interest payable during the accounting year primarily consists of bank borrowings, defined benefit pension and finance lease interest.

	2022 £'000	2021 £'000
Interest receivable and similar income		
Interest receivable on bank deposits	700	401
Net interest credited on defined benefit pension scheme	47	-
Other interest receivable	136	300
	883	701
Interest payable and similar expenses		
Interest payable on overdrafts and bank loans	(2,046)	(1,737)
Other interest payable	(1,506)	(1,114)
Cumulative preference dividends	(241)	(331)
Net interest charged on defined benefit pension scheme	-	(18)
Finance lease interest payable	(66)	(83)
	(3,859)	(3,283)
Net interest expense	(2,976)	(2,582)

9. Tax on (loss)/profit



Current tax, including UK Corporation Tax and overseas tax, is included at amounts expected to be paid (or recovered) using the tax rates and laws that have been substantively enacted by the Statement of Financial Position date. Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events have occurred at the Statement of Financial Position date that result in an obligation to pay more tax or a right to pay less tax in the future. Deferred tax assets are recognised only to the extent that they are considered recoverable in the future. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been substantively enacted by the reporting date.

The tax (credit)/charge represents:

	2022 £'000	2021 £'000
Current tax		
UK Corporation Tax on profit for the year	(849)	(1,794)
Tax on profits from associates	188	46
Foreign tax on profits for the year	811	1,992
Adjustments in respect of prior years	275	473
Total current tax	425	717



Notes to the financial statements (continued)

for the year ended 31 December 2022

9. Tax on profit/(loss) (continued)

	2022 £'000	2021 £'000
Deferred tax		
Origination and reversal of timing differences	(5,276)	1,607
Adjustment in respect of post-retirement benefits	(50)	(44)
Total deferred tax (note 23)	(5,326)	1,563
Total tax (credit)/charge in Income Statement	(4,901)	2,280

Reconciliation of corporation tax rate

The tax assessed for the year is higher than (2021: lower than) the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%). The differences are explained below:

	2022 £'000	2021 £'000
(Loss)/profit before tax	(27,670)	13,948
(Loss)/profit before tax multiplied by the standard rate of Corporation Tax in the UK at 19.00% (2021: 19.00%)	(5,257)	2,650
Effects of:		
Expenses not deductible for tax purposes	909	1,762
Non-taxable income	(433)	(3,325)
Accelerated capital allowances and other timing differences	39	400
Tax rate differences and losses not recoverable on overseas results	(593)	367
Deferred tax on revaluation of investment property	-	822
Utilisation of tax losses	409	(18)
Adjustment in respect of post-retirement benefits	(250)	(851)
Adjustments in respect of prior years	275	473
Tax (credit)/charge for the year	(4,901)	2,280

Factors that may affect future tax charges

In the 2021 Budget, the UK Government announced that from 1 April 2022 the UK Corporation Tax rate would increase to 25%. This new law was substantively enacted on 24 May 2021.

In the Autumn Statement in November 2022, the government confirmed the increase in corporation tax rate to 25% from April 2023.

10. Tax (credit)/charge included in Other Comprehensive Income

	2022 £'000	2021 £'000
Deferred tax attributable to actuarial (loss)/gain	(424)	1,181
Deferred tax on unrealised gain on property revaluation	-	25
Total tax (credit)/charge included in Other Comprehensive Income	(424)	1,206

The amount included for deferred tax on unrealised gain on property revaluation in 2021 relates to the increase in the future tax rate in The Netherlands from 25% to 25.8%, increasing the deferred tax liability on historical revaluation gains.



Notes to the financial statements (continued)

for the year ended 31 December 2022

11. Loss attributable to the Company

As permitted by Section 408 of the Companies Act 2006 no separate Income Statement is presented in respect of the Company. The loss for the financial year in the financial statements of the Company was £3,502,000 (2021: loss of £3,746,000) excluding intercompany interest expense of £612,000 (2021: £161,000), intercompany interest receivable of £nil (2021: £12,000), and intercompany dividends received of £nil (2021: £nil).

12. Intangible assets



Goodwill represents the excess or deficit of the cost of businesses or shares in subsidiaries over the fair value of the separable net assets acquired. The accounting treatment of goodwill is appraised for each individual acquisition and is charged or credited to the Income Statement by equal instalments over its estimated useful economic life.

Intangible assets other than goodwill are stated at cost less accumulated amortisation and impairment charges. Amortisation is charged to the Income Statement on a straight line basis over the estimated useful lives of intangible assets from the date they are available for use.

The Group evaluates the carrying value of intangibles in each financial year to determine if there has been impairment in value, which would result in the inability to recover the carrying amount. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the Income Statement.

The estimated useful lives are generally deemed to be:

Goodwill – over 5 to 10 years

Other intangibles – over 5 to 26 years

	Goodwill £'000	Other intangibles £'000	Total £'000
Cost			
At 1 January 2022	41,727	6,356	48,083
Additions	-	595	595
Foreign exchange translation adjustment	-	168	168
At 31 December 2022	41,727	7,119	48,846
Accumulated amortisation			
At 1 January 2022	25,522	1,841	27,363
Charge for the year	2,885	891	3,776
Foreign exchange translation adjustment	-	59	59
At 31 December 2022	28,407	2,791	31,198
Net book value			
At 31 December 2022	13,320	4,328	17,648
At 31 December 2021	16,205	4,515	20,720

The Company has no intangible assets.



Notes to the financial statements (continued)

for the year ended 31 December 2022

13. Property, plant and equipment



Plant, machinery, fixtures and fittings and leasehold improvements are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and capitalised borrowing costs.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date. The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

Buildings are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives. Land is not depreciated.

The charge for depreciation is calculated to write down the cost or valuation less estimated residual value of all property, plant and equipment other than freehold land by equal annual instalments over their expected useful lives as follows:

Land and buildings	-	over 30 years
Leasehold improvements	-	over the lease term
Plant, machinery, fixtures and fittings	-	over 1 to 10 years



Notes to the financial statements (continued)

for the year ended 31 December 2022

13. Property, plant and equipment (continued)

Group	Land and Buildings £'000	Leasehold Improvements £'000	Plant, machinery, fixtures and fittings £'000	Total £'000
Cost or valuation				
At 1 January 2022	14,415	6,330	21,046	41,791
Additions	353	7,286	1,499	9,138
Disposals	(111)	(1,001)	(2,480)	(3,592)
Reclassification of assets	(121)	(1,240)	1,320	(41)
Foreign exchange translation adjustment	761	80	506	1,347
At 31 December 2022	15,297	11,455	21,891	48,643
Accumulated depreciation				
At 1 January 2022	1,132	1,597	12,516	15,245
Charge for the year	598	477	2,559	3,634
Depreciation on disposals	(111)	(1,001)	(2,475)	(3,587)
Reclassification of assets	(46)	(428)	433	(41)
Foreign exchange translation adjustment	92	12	243	347
At 31 December 2022	1,665	657	13,276	15,598
Net book value				
At 31 December 2022	13,632	10,798	8,615	33,045
At 31 December 2021	13,283	4,733	8,530	26,546

Included in the total net book value of plant, machinery, fixtures and fittings is £2,983,000 (2021: £3,513,000) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on this equipment was £818,000 (2021: £996,000).

The net book value of land and buildings comprises:

	2022 £'000	2021 £'000
Freehold	13,632	13,283
Net book value	13,632	13,283



Notes to the financial statements (continued)

for the year ended 31 December 2022

13. Property, plant and equipment (continued)

Company	Plant, machinery, fixtures and fittings £'000
Cost	
At 1 January 2022	211
Additions	1
At 31 December 2022	212
Accumulated depreciation	
At 1 January 2022	162
Charge for the year	48
At 31 December 2022	210
Net book value	
At 31 December 2022	2
At 31 December 2021	49

14. Investment properties



Investment properties are revalued annually with the aggregate surplus or deficit being recognised in the Income Statement. No depreciation is provided in respect of investment properties. The fair value has been established by management through use of property experts where necessary. The assets are reviewed for impairment if there are factors indicating that the carrying value may be impaired.

Group	£'000
Valuation and net book value	
At 1 January and 31 December 2022	19,175

Investment properties were valued at Directors' valuation or market value as at 31 December 2022 and 31 December 2021, using information provided by Bidwells, independent chartered surveyors. Market value has been determined having regard to factors such as the location and recent market transactions in the sector.

Under the cost model, the carrying amount of land and buildings (including investment properties) at 31 December 2022 would have been £17,166,000 (2021: £17,108,000).

The Company holds no investment property.



Notes to the financial statements (continued)

for the year ended 31 December 2022

15. Investments



Fixed asset investments

Investments held as fixed assets are stated at cost less amortisation and any provision for impairment in value. Investments are amortised over the expected useful economic life. Investments in associates are accounted for using the equity method. In the event the Group's share of an associate's losses equals or exceeds its interest in the associate the Group ceases to recognise its share of further losses. However, if the Group has a constructive obligation to its associate the losses continue to be recognised in the profit and loss account. These losses are recognised as a provision. Please see note 22.

Group	Associates £'000	Other investments £'000	Total £'000
Net book value			
At 1 January 2022	637	681	1,318
Share of retained profit for the year, net of losses to the extent of investment held	1,528	-	1,528
Dividends	(1,490)	(55)	(1,545)
Revaluations	-	(88)	(88)
At 31 December 2022	675	538	1,213

Company

Cost and net book value	£'000
At 1 January and 31 December 2022	35,567



Notes to the financial statements (continued)

for the year ended 31 December 2022

15. Investments (continued)

Shares in Group undertakings

The subsidiary companies which principally affect the Group figures are detailed below

Company	Country of incorporation	Principal activity	Class and effective percentage of shares held by Argent Foods Limited
Belwood Foods Limited	England and Wales	Animal by-products	Ordinary – 100%
Orchard Fruit Holdings Limited	England and Wales	Activities of a head office	Ordinary – 80%
BerryWorld Group Holdings Limited	England and Wales	Holding company	Ordinary – 66%

Company	Country of incorporation	Principal activity	Class and effective percentage of shares held by Orchard Fruit Holdings Limited
OrchardWorld Limited	England and Wales	Top fruit and produce	Ordinary – 100%
Norton Folgate Marketing Limited	England and Wales	Stone fruit and produce	Ordinary – 100%
Poupart Limited	England and Wales	Activities of a head office	Ordinary – 100%

Company	Country of incorporation	Principal activity	Class and effective percentage of shares held by BerryWorld Group Holdings Limited
BerryWorld Limited	England and Wales	Soft fruit and produce	Ordinary – 100%
BerryWorld Europe B.V.	The Netherlands	Soft fruit and produce	Ordinary – 100%
BerryWorld (SA) (Pty) Limited	South Africa	Soft fruit and produce	Ordinary – 75%
Beekers Berries B.V.	The Netherlands	Soft fruit and produce	Ordinary – 100%
Beekers Made B.V.	The Netherlands	Soft fruit and produce	Ordinary – 100%

The Directors believe that the carrying value of the investments is supported by their underlying net assets and continued trade.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences to the date that control ceases.

A complete list of subsidiary undertakings can be found in note 32.



Notes to the financial statements (continued)

for the year ended 31 December 2022

16. Inventories



Inventories and work in progress are stated at the lower of cost and estimated selling price less costs to sell. Cost includes an appropriate proportion of overheads incurred in the normal course of business in bringing the product to its present location and condition. Provision is made for obsolete, slow-moving or defective items where appropriate.

At the end of each reporting year inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the Income Statement. When a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the Income Statement.

Group	2022 £'000	2021 £'000
Raw materials and consumables	3,497	4,171
Work in progress	1,377	1,184
Finished goods and goods for resale	2,591	2,042
	7,465	7,397

Inventories are stated after provisions for impairment of £151,000 (2021: £338,000)

The Company holds no inventories.

17. Debtors



Trade and other receivables are initially recognised at transaction price. If the arrangement constitutes a financing transaction, the transaction is measured at the present value of the future receipts discounted at the market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method.

At the end of the reporting period trade and other receivables are assessed for objective evidence of impairment. If the asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Income Statement.

See note 28 for the financial instruments policy.

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Trade debtors	49,939	44,805	-	247
Other debtors	26,555	22,055	12	36
Deferred tax asset (note 23)	8,214	2,242	12	407
Financial assets (note 28)	69	-	-	-
Corporation tax recoverable	4,069	2,533	977	959
Prepayments and accrued income	10,792	8,903	303	221
	99,638	80,538	1,304	1,870

Trade debtors are stated after provisions for impairment of £1,511,000 (2021: £2,053,000).



Notes to the financial statements (continued)

for the year ended 31 December 2022

17. Debtors (continued)

Included within the above are amounts falling due after more than one year of:

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Other debtors	9,981	8,948	-	-
Deferred tax asset	5,937	503	-	-
	15,918	9,451	-	-

In February 2021, proceedings were instigated in Spain against the Group's subsidiaries BerryWorld Limited and BerryWorld Europe B.V.. See note 29 for further details. A loan was made to the claimant of this litigation by the Group in 2017 for repayment in 2027. The amount outstanding as at 31 December 2022 was €7.0 million which is included in other debtors. This has since been repaid by the claimant as part of the final settlement of the claim. Therefore no provision has been made against it.

18. Creditors: amounts falling due within one year



Trade and other creditors that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Bank loans (note 20)	16,833	1,594	612	696
Trade creditors	45,510	42,155	13	-
Amounts owed to Group undertakings	-	-	9,757	9,806
Obligations under finance leases and hire purchase contracts (note 20)	727	801	-	-
Taxation and social security	2,953	3,172	222	174
Other creditors	7,975	5,630	5	-
Other loans (note 20)	898	499	-	-
Financial liabilities (note 28)	46	59	-	-
Preference shares (note 20)	-	6,250	-	-
Accruals and deferred income	14,476	16,588	1,244	1,305
	89,418	76,748	11,853	11,981

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

Amounts owed to group undertakings are unsecured with a variable interest rate and are repayable on demand.



Notes to the financial statements (continued)

for the year ended 31 December 2022

19. Creditors: amounts falling due after more than one year

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Bank loans (note 20)	19,926	20,832	15,747	6,521
Obligations under finance leases and hire purchase contracts (note 20)	2,407	2,827	-	-
Other loans greater than one year (note 20)	8,574	8,574	8,574	8,574
Preference shares (note 20)	6,543	250	-	-
Other creditors	1,041	3,933	-	-
	38,491	36,416	24,321	15,095

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

20. Borrowings



Borrowings are initially stated at the fair value of the consideration received. Finance costs are charged to the Income Statement over the term of the borrowings so as to represent a constant proportion of the balance of capital repayments outstanding. Accrued finance costs attributable to borrowings where the maturity at the date of issue is less than twelve months are included in accrued charges within current liabilities. For all other borrowings, accrued finance charges and issue costs are added to the carrying value of those borrowings.

Loans, finance leases and hire purchase contracts and preference shares are repayable as follows:

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
In the first year or on demand:				
Bank loans and overdrafts	16,833	1,594	612	696
Finance leases and hire purchase contracts	727	801	-	-
Other loans	898	499	-	-
Preference shares	-	6,250	-	-
In more than one year but not more than five years:				
Bank loans	19,926	20,832	15,747	6,521
Finance leases and hire purchase contracts	2,407	2,827	-	-
Other loans	8,574	8,574	8,574	8,574
Preference shares	-	-	-	-
After five years:				
Preference shares	6,543	250	-	-
	55,908	41,627	24,933	15,791



Notes to the financial statements (continued)

for the year ended 31 December 2022

20. Borrowings (continued)

The Group had £52,729,000 (2021: £56,381,000) undrawn committed borrowing facilities available at 31 December:

There were £10,000,000 of borrowings under the Group's £10,000,000 revolving credit facility at 31 December 2022 (2021: £nil), which is utilised for the day-to-day management of cash. Any borrowings under this facility are repayable at the Group's option while retaining the flexibility to borrow again under the facility. Interest during the year was linked to SONIA with a margin of 2.25%.

The Group maintains certain confidential invoice discounting facilities which amounted to £45,000,000 at 31 December 2022 (2021: £45,000,000). These facilities are dependent upon the level of trade debtors in several of the Group's subsidiaries. The amount outstanding at 31 December 2022 was £13,617,000 (2021: £11,539,000). Interest is linked to SONIA with a margin of 1.75%.

The Group's £6,359,000 term loan facility was fully drawn at 31 December 2022. Interest during the year was linked to SONIA with a margin of 3.5%. The term loan is repayable in quarterly instalments.

BerryWorld Europe B.V. maintained a discrete invoice-discounting facility for €18,000,000 at 31 December 2022. The amount outstanding at 31 December 2022 was €120,000 (2021: €133,000). Interest is payable at 1-month Euribor with a margin of 1.5%.

Beekers Holding's had €5,550,000 of bank loans due at 31 December 2022. €1,050,000 of the loan is repayable in monthly instalments over a 28 month period with interest fixed at 2.55% per annum. €2,250,000 of the loan is repayable in full in 2025 with interest fixed at 2.55% per annum. The remaining €2,250,000 of the loan is repayable in monthly instalments over a 54 month period with interest fixed at 3.25% per annum.

BerryWorld France Limited maintained a discrete invoice-discounting facility for €2,000,000 as at 31 December 2022. The amount outstanding as at 31 December 2022 was €nil (2021: €506,000). Interest is payable at 3-month Euribor with a margin of 1.0%.

BerryWorld Iberia S.L. maintained a €1,000,000 confirming facility as at 31 December 2022. The amount outstanding as at 31 December 2022 was €999,000 (2021: €nil). Interest is payable at 3-month Euribor with a margin of 0.6% plus commission of €15 for EU (excluding Spanish) suppliers and €30 for other suppliers.

BerryWorld Local (Pty) Limited maintained a discrete invoice-discounting facility for ZAR10,000,000 as at 31 December 2022. The amount outstanding as at 31 December 2022 was ZAR4,514,000. Interest is payable at prime rate with a margin of 1.5%.

BerryWorld (SA) (Pty) Limited's ZAR15,000,000 bank loan was fully drawn at 31 December 2022. Interest is payable at prime rate with a margin of 0.3%.

BerryWorld Group Holdings Limited and BerryWorld US Holdings Limited have in issue in total 250,000 (split 50:50) irredeemable preference shares of £1 each. During 2022 these shares were transferred from BerryWorld Group Limited to BerryWorld Group Holdings Limited and BerryWorld US Holdings Limited as part of a Group reorganisation. Preference shareholders are entitled to a fixed cumulative preferential dividend at an annual rate of 6.0% which is payable half yearly on 30 June and 31 December each year. The preference dividend accrued to 31 December 2022 was £nil (2021: £nil). On a sale, capital reconstruction or redemption of the preference shares, the holder is entitled to a percentage of the value of the noted Companies (on a debt and cash free basis) above a certain threshold. The holders of the preference shares have the right on a winding up or otherwise to receive, in priority to ordinary shareholders, the issue price and any accrued unpaid dividends.



Notes to the financial statements (continued)

for the year ended 31 December 2022

20. Borrowings (continued)

BerryWorld Group Holdings Limited has in issue 7,439,999 irredeemable preference shares of €1 each. During 2022 these shares were transferred from BerryWorld Group Limited as part of a Group reorganisation. Preference shareholders are entitled to a fixed cumulative preferential dividend at an annual rate of 3.5%. The preference dividend accrued as at 31 December 2022 is £nil (2021: £nil).

BerryWorld US Holdings Limited has in issue 1 irredeemable preference share of €1. During 2022 this share was transferred from BerryWorld Group Limited as part of a Group reorganisation. Preference shareholders are entitled to a fixed cumulative preferential dividend at an annual rate of 3.5%. The preference dividend accrued as at 31 December 2022 is £nil (2021: £nil).

Other loans includes £8,574,000 (2021: £8,574,000) of unsecured loans provided by shareholders of Argent Foods Limited. Interest on these loans is payable at 10% per annum.

21. Financial commitments



Property, plant and equipment acquired under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the assets have passed to the Group, are capitalised in the Statement of Financial Position and depreciated over the shorter of their useful lives and the lease terms. The present value of future rentals is shown as a liability. The interest element of the rental obligations is charged to the Income Statement over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. All other leases are regarded as operating leases and the payments made under them are charged to the Income Statement on a straight-line basis over the lease term. Incentives received to enter into an operating lease are credited to the Income Statement, to reduce the lease expense, on a straight line basis over the period of the lease.

a) Operating lease commitments

Group	Land and buildings 2022 £'000	Other 2022 £'000	Land and buildings 2021 £'000	Other 2021 £'000
Within one year	3,597	928	4,081	595
Between one and five years	10,833	1,846	10,852	633
After five years	16,705	25	18,649	-
	31,135	2,799	33,582	1,228

The Company has no operating lease commitments.



Notes to the financial statements (continued)

for the year ended 31 December 2022

21. Financial commitments (continued)

b) Finance lease commitments

Finance leases are payable as follows:

Group	Plant & Machinery 2022 £'000	Plant & Machinery 2021 £'000
Within one year	773	859
Between one and five years	2,195	2,262
After five years	310	679
	3,278	3,800
Less future finance charges	(144)	(172)
	3,134	3,628

The Company has no finance lease commitments.

22. Provisions for liabilities



Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable an outflow of resources will be required to settle the obligation and the amount of the obligation can be estimated reliably. In particular:

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provision is not made for future operating losses.

Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when it is not probable that there will be an outflow of resources or the amount cannot be reliably measured at the reporting date or when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Share of associate losses in excess of investment

Where the Group has a constructive obligation to an associate and its share of losses is in excess of the Group's investment a provision is created.

Group	Dilapidations £'000	Deferred tax £'000	Contingent consideration £'000	Share of associate losses in excess of investment £'000	Settlement for legal case	Total £'000
At the beginning of the year	407	5,124	3,640	2,587	-	11,758
Created during the year	87	496	-	-	29,867	30,450
Released during the year	-	(45)	-	(398)	-	(443)
Utilised during the year	(5)	(474)	(1,722)	-	-	(2,201)
Effects of foreign exchange	-	40	12	354	-	406
At the end of the year	489	5,141	1,930	2,543	29,867	39,970



Notes to the financial statements (continued)

for the year ended 31 December 2022

22. Provisions for liabilities (continued)

Provision has been made for the requirement to make repairs on dilapidations under the terms of certain property leases.

During the year contingent consideration for the buy-out of the subsidiary Group, Argent Group Europe, was partially paid to the former shareholders. Additionally there was a small amount paid for a South African berry license owned by BerryWorld South Africa Local (Pty) Limited.

Share of associate losses in excess of investment relate to start up losses at the Group's associate, Mastronardi BerryWorld America LLC.

Provision has been made for the full and final settlement of the legal case – see note 33.

Further details on deferred tax can be found in note 23.

Company	Contingent consideration £'000
At the beginning of the year	3,356
Utilised during the year	(1,426)
At the end of the year	1,930

23. Deferred tax



Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.



Notes to the financial statements (continued)

for the year ended 31 December 2022

23. Deferred tax (continued)

The analysis of deferred tax balances for the Group is as follows:

Deferred tax asset:

	2022 £'000	2021 £'000
Decelerated capital allowances	353	351
Other timing differences	36	86
Tax losses	7,825	1,805
Deferred tax asset	8,214	2,242
Movement in deferred tax asset		£'000
Deferred tax asset at 1 January 2022		2,242
Deferred tax credited in the Income Statement		5,726
Effects of foreign exchange		246
Deferred tax asset at 31 December 2022		8,214

Deferred tax liability:

	2022 £'000	2021 £'000
Accelerated capital allowances	1,570	1,043
Other timing differences	3,467	3,503
Defined benefit pension	104	578
Deferred tax liability	5,141	5,124
Movement in deferred tax liability		£'000
Deferred tax liability at 1 January 2022		5,124
Deferred tax charged in the Income Statement		400
Deferred tax credited to the Statement of Comprehensive Income		(424)
Effects of foreign exchange		41
Deferred tax liability at 31 December 2022		5,141

Deferred tax liability relating to the pension asset included above comprise:

	£'000
Liability at 1 January 2022	578
Deferred tax credited in the Income Statement	(50)
Deferred tax credited to the Statement of Comprehensive Income	(424)
Liability at 31 December 2022	104

The recoverability of deferred tax assets is supported by the expected level of future profits in the companies concerned. Other deferred tax assets amounting to £4.1 million (2021: £4.1 million) in respect of trading losses have not been recognised on the basis that their future economic benefit is uncertain. In accordance with FRS 102 these assets will be recognised when it is regarded as more likely than not that they will be recovered.

The Company deferred tax liability relates to accelerated capital allowances.



Notes to the financial statements (continued)

for the year ended 31 December 2022

24. Pension asset



Defined benefit schemes

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration.

The asset recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of the plan assets at the reporting date.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other Comprehensive Income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Defined contribution schemes

Defined contribution pension costs charged to the Income Statement represent contributions payable in respect of the accounting period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

The Group operates a number of pension schemes comprising both defined contribution and defined benefit schemes. The majority of the schemes are self-administered and, in all cases, the schemes' assets are held independently of the Group's finances in separate trustee administered funds. The UK schemes provide benefits that are computed based on an employee's years of service and final pensionable salary. Pension costs are assessed in accordance with the advice of independent professionally qualified actuaries. Contributions to the defined contribution schemes during the year were £1,659,000 (2021: £1,536,000).

The principal UK scheme, the Argent Group Europe Pension Scheme, is of the defined benefit type, based on final salary. The plan also provides benefits to spouses/dependants in the event of a member's death before or after retirement. An independent actuary performs detailed triennial valuations together with periodic interim reviews. The rates of contribution payable are determined by the actuary. As part of the interim reviews, the actuary reviews the continuing appropriateness of the contribution rates. The last finalised assessment of the principal scheme was at 30 June 2019 and updated to 31 December 2022 by a qualified independent actuary. The contribution made to the scheme in the accounting year was £750,000 (2021: £4,924,000). The Group expects to pay contributions in the region of £1.25 million to the plan during 2023, with additional deficit contributions to be made in future years. The current employer contribution in respect of the future benefit accrual is £nil per annum (2021: £nil). The scheme ceased all future service benefit accruals with effect from 1 December 2016.



Notes to the financial statements (continued)

for the year ended 31 December 2022

24. Pension asset (continued)

The major assumptions used by the actuary on the Argent Group Europe Pension Scheme were (in nominal terms):

	2022	2021
Discount rate at the end of the year	4.65%	1.80%
Rate of increase in salaries	n/a	n/a
Rate of future inflation – RPI (% pa)	3.10%	3.40%
Rate of future inflation – CPI (% pa)	2.35%	2.60%
Rate of increase (% pa) in future pensions in payment, split:		
Inflation (RPI) linked up to 5% pa	3.00%	3.25%
Inflation (RPI) linked up to 2.5% pa	2.09%	2.18%
Inflation linked, with a minimum of 3% pa and a max of 5% pa	3.63%	3.75%

The mortality assumptions used were:

	2022 Years	2021 Years
Members not yet retired:		
Total life expectancy at 65 of a male member (non-pensioner) currently aged 45	87.4	87.4
Total life expectancy at 65 of a female member (non-pensioner) currently aged 45	89.7	89.7
Current pensioners:		
Total life expectancy of a male member (pensioner) currently aged 65	86.5	86.4
Total life expectancy of a female member (pensioner) currently aged 65	88.5	88.4
Allowance for early retirements	nil	nil
Allowance for member to commute pension for tax-free cash	25% of pension	25% of pension

The combined fair value of the assets and the present value of liabilities in the UK schemes at each Statement of Financial Position date were:

	2022 £'000	2021 £'000
Fair value of plan assets	17,908	27,099
Present value of funded obligations	(17,492)	(24,786)
Surplus in the plan	416	2,313

In accordance with FRS 102, the following amounts have been recognised in the Consolidated Income Statement in respect of defined benefit schemes:

	2022 £'000	2021 £'000
Charged to Income Statement:		
Net interest (income)/cost on net defined benefit asset	(47)	18
Administrative expenses paid	247	157
Total charged to Income Statement	200	175



Notes to the financial statements (continued)

for the year ended 31 December 2022

24. Pension asset (continued)

In accordance with FRS 102, the following amounts have been recognised in the Statement of Comprehensive Income:

	2022 £'000	2021 £'000
Remeasurement - return on plan assets excluding interest income (loss)/gain	(8,864)	582
Remeasurement - effect of changes in assumptions gain	6,918	957
Remeasurement - effect of experience adjustments loss	(501)	(210)
Total (loss)/gain recognised in Other Comprehensive Income	(2,447)	1,329

Reconciliation of present value of scheme liabilities:

	2022 £'000	2021 £'000
Opening defined benefit obligation	24,786	26,339
Interest cost	434	335
Actuarial gains on obligation	(6,417)	(747)
Benefits paid – including insurance premiums	(1,311)	(1,141)
At end of year	17,492	24,786

Reconciliation of fair value of scheme assets:

	2022 £'000	2021 £'000
At beginning of year	27,099	22,574
Expected return on plan assets	481	317
Actuarial (losses)/gains on the assets	(8,864)	582
Contributions paid by the employer	750	4,924
Benefits paid	(1,311)	(1,141)
Administration expenses paid	(247)	(157)
At end of year	17,908	27,099

The fair value of plan assets was:

	2022 £'000	2021 £'000
Diversified growth funds	7,932	16,404
LDI	9,023	7,141
Cash	303	2,799
Annuities	650	755
Total fair value of plan assets	17,908	27,099

25. Called up share capital

Allotted and fully paid

	2022 £	2021 £
1,006,126 (2021: 1,006,126) Ordinary shares of £1 each	1,006,126	1,006,126
25,819 (2021: 25,819) B-shares of £0.01 each	258	258
	1,006,384	1,006,384



Notes to the financial statements (continued)

for the year ended 31 December 2022

26. Net cash (used in)/generated from operating activities

Reconciliation of (loss)/profit for the year to net cash (used in)/generated from operating activities:

	2022 £'000	2021 £'000
(Loss)/profit for the financial year	(22,769)	11,668
Tax on (loss)/profit	(4,901)	2,280
Net interest expense	2,976	2,582
Share of associates' operating profit	(2,114)	(2,308)
Operating (loss)/profit	(26,808)	14,222
Loss on sale of fixed assets	-	5
Profit on disposal of subsidiary	-	(13,924)
Depreciation, amortisation and impairment charges	7,410	8,583
Fair value gain on revaluation of investment properties	-	(1,100)
Fair value loss/(gain) on revaluation of investments	88	(529)
Decrease in inventories	107	1,097
Increase in debtors	(12,626)	(12,656)
Increase in creditors	31,349	11,644
Difference between pension contributions paid and amount recognised in Income Statement	(503)	(4,767)
Gains on held for trading financial assets	(83)	(1,059)
Currency translation differences	37	(156)
Net cash (used in)/generated from operating activities	(1,029)	1,360

27. Analysis of net debt

	At 1 January 2022 £'000	Cash flow £'000	Non-cash changes £'000	At 31 December 2022 £'000
Cash in hand and at bank	10,097	(2,189)	321	8,229
Bank and other loans within one year	(2,093)	(15,566)	(16)	(17,731)
Bank and other loans after one year	(29,406)	1,102	(252)	(28,500)
Preference shares	(6,500)	-	(43)	(6,543)
Finance leases	(3,628)	654	(160)	(3,134)
	(41,627)	(13,810)	(471)	(55,908)
Net debt	(31,530)	(15,999)	(150)	(47,679)

Net debt as reported includes subordinated shareholder loans of £8,574,000 (2021: £8,574,000) and preference shares.

Non-cash movements represent foreign exchange translation adjustments and new finance leases raised.



Notes to the financial statements (continued)

for the year ended 31 December 2022

28. Financial instruments



Financial liabilities and equity

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.

Financial instruments

The Group enters into transactions in the normal course of business using a variety of financial instruments, including spot and forward exchange contracts, in order to reduce exposure to foreign exchange risk and interest rate fluctuations. The Group does not hold or issue derivative financial instruments for speculative purposes. Financial assets and liabilities are recognised in the Statement of Financial Position at the lower of cost and net realisable value. Provision is made for diminution in value where appropriate. Interest payable or receivable is accrued, and recognised in the Income Statement in the period to which it relates.

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

The Group has the following financial instruments:

	2022 £'000	2021 £'000
Financial assets at fair value through Income Statement		
Derivative financial instruments	69	-
	69	-
Financial assets measured at amortised cost		
Trade debtors	49,939	44,805
Other debtors	26,556	22,055
	76,495	66,860
Financial liabilities at fair value through Income Statement		
Derivative financial instruments	46	59
	46	59
Financial liabilities measured at amortised cost		
Bank loans and overdrafts	36,759	22,426
Trade creditors	45,510	42,155
Obligations under finance leases and hire purchase contracts	3,134	3,628
Other creditors	9,016	9,563
Other loans	9,472	9,073
	103,891	86,845

Derivative financial instruments

The Group enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency receivables. At 31 December 2022, the outstanding contracts all mature within three months of the year end.

At 31 December 2022 the Group had interest rate swaps in place to fix the interest rate on £nil of debt (2021: £nil).



Notes to the financial statements (continued)

for the year ended 31 December 2022

29. Assets pledged, commitments and contingencies

In February 2021, proceedings were instigated in Spain against the Group's subsidiaries BerryWorld Limited and BerryWorld Europe B.V.. A full and final settlement of this legal case has been made; the settlement amount has been recognised in the 2022 Balance Sheet as an adjusting Post Balance Sheet Event – see note 33.

In addition, the Group is from time to time party to legal proceedings and claims that arise in the ordinary course of business and are not considered material in the context of these financial statements

During the year, the Company and some of its subsidiaries were participants in a group arrangement under which all assets and surplus cash balances were held as collateral for bank facilities advanced to Group members. The maximum amount covered by these arrangements at 31 December 2022 was £19.0 million (2021: £19.0 million). The facilities were secured under a debenture dated 22 September 2017 over all assets of certain members of the Group. The Group has given certain banking guarantees in its normal course of business, amounting to £nil (2021: £nil).

Post year end following a Group refinancing, the Company and some of its subsidiaries are participants in a new group arrangement under which all assets are held as collateral for bank facilities advanced to Group members. The facilities are secured under an all assets debenture dated 29 September 2023 (see note 33).

30. Related party transactions

30.1 Subsidiaries

All transactions between wholly owned subsidiaries of the Argent Foods Group have been eliminated upon consolidation and, therefore, do not need to be disclosed separately.

30.2 Key management personnel

Only members of the Board are considered to be key management personnel. It is the Board who have responsibility for planning, directing and controlling the activities of the Group. The total remuneration of the Directors who are considered to be the key

	2022	2021
	£'000	£'000
Transactions with/between subsidiaries not wholly owned		
Sales on normal trading terms	54,223	55,044
Amounts owed by companies	12,154	4,125
Amounts owed to companies	29	-
Interest receivable from companies	252	226
Preference shares	13,025	13,025
Interest on preference shares	903	912

management personnel of the Group is disclosed in note 6.

30.3 Other transactions

Material transactions and year end balances with related parties were as follows:



Notes to the financial statements (continued)

for the year ended 31 December 2022

30. Related party transactions (continued)

30.3 Other transactions (continued)

	2022 £'000	2021 £'000
Transactions with the Parent Company		
Management charge paid to Fletcher Bay Group Limited on normal trading	756	776
Unsecured loans from Fletcher Bay Group Limited	5,030	5,030
Interest payable on loans from Fletcher Bay Group Limited	503	512
Transactions with other key management personnel		
Unsecured loans from key management personnel	1,558	1,558
Interest payable on loans from key management personnel	156	156
Amounts provided for owed to key management personnel	-	666
Interest payable on loans from companies with common key management	-	17
Annual rental charge to group companies by pension funds of key management personnel	159	159
Annual rental charge to group companies by companies with common key management personnel	1,290	1,277
Purchases from companies with common key management personnel	1,156	656
Transactions with associates		
Sales to associates on normal trading terms	1,709	1,890
Purchases from associates on normal trading terms	4,684	6,553
Amounts owed to associates	708	708
Amounts owed by associates	8,761	6,462
Dividends received from associates	1,490	1,609

31. Ultimate and immediate parent undertaking

The Company is ultimately owned and controlled by D J Gray

The Company's immediate parent undertaking is Fletcher Bay Group Limited which owns 63% of the ordinary share capital of Argent Foods Limited. Fletcher Bay Group Limited is incorporated in England and Wales.

The only group into which the results of the Company are consolidated is the Fletcher Bay Group Limited Group. Copies of those consolidated financial statements may be obtained from the registered office, The Henley Building, Newton Road, Henley on Thames, Oxfordshire, RG9 1HG.



Notes to the financial statements (continued)

for the year ended 31 December 2022

32. Subsidiaries, associates and related undertakings

A list of the Group's subsidiary undertakings is set out below.

Company name and registered address	Country of incorporation	Principal activity	Effective percentage of ordinary shares held by Argent Foods Limited
A D Food Holdings Limited ¹	England and Wales	Dormant	100%
Argent Berry Investments Limited ¹	England and Wales	Dormant	100%
Argent By-Products Group Limited ¹	England and Wales	Dormant	100%
Argent Europe Limited ¹	England and Wales	Dormant	100%
Argent Foods Group Limited ¹	England and Wales	Dormant	100%
Argent Group Europe Limited ¹	England and Wales	Holding company	100%
Argent Group New Zealand Limited ²	New Zealand	Holding company	100%
Argent Holdings Limited ¹	England and Wales	Holding company	100%
Argent Meat Traders Limited ¹	England and Wales	Non-trading	100%
Atlantic Blue Blueberries Limited ¹	England and Wales	Dormant	100%
Barker & Hird Limited ¹	England and Wales	Dormant	100%
Barker & Hird (PP) Limited ¹	England and Wales	Property management	100%
Barker & Hird (WF) Limited ³	England and Wales	Maintaining a mine shaft	100%
Belwood Foods Limited ¹	England and Wales	Animal by-products	100%
David A. Holding (Catering Butchers) Limited ¹	England and Wales	Dormant	100%
FM (Derby) Limited ¹	England and Wales	Property management	100%
FM Hatton Group Limited ¹	England and Wales	Holding company	80%
King & Prince Seafood (Europe) Limited ¹	England and Wales	Dormant	100%
Orchard Fruit Holdings Limited ¹	England and Wales	Activities of a head office	80%
Peter Fairfax Limited ¹	England and Wales	Dormant	100%
Poupart BerryWorld Holdings Limited ¹	England and Wales	Holding company	80%
Strong & Fisher Pensions and Retirement Scheme Trustees Limited ¹	England and Wales	Pension scheme trustee	100%
Tendercut Properties Limited ¹	England and Wales	Dormant	100%
The Orchard Fruit Company Limited ¹	England and Wales	Marketing fresh produce	100%
TM (Eastleigh) Limited ¹	England and Wales	Non-trading	100%
Tom Bowling Bay Limited (formerly New Zealand Light Leathers Limited) ²	New Zealand	Leather tanning	100%
Traiteur Properties (KT) Limited ¹	England and Wales	Property management	100%

¹ The Henley Building, Newton Road, Henley on Thames, RG9 1HG

² Meadows Road, Washdyke, Timaru 7973, New Zealand

³ 4th Floor, 115 George Street, Edinburgh, EH1 4JN



Notes to the financial statements (continued)

for the year ended 31 December 2022

32. Subsidiaries, associates and related undertakings (continued)

Company name and registered address	Country of incorporation	Principal activity	Effective percentage of ordinary shares held by Poupart BerryWorld Holdings Limited
Subsidiaries of Poupart BerryWorld Holdings Limited			
BerryWorld Group Holdings Limited ¹	England and Wales	Holding company	82%
Poupart Figueres S.L. ²	Spain	Fruit sourcing for UK	100%
Poupart Holdings Limited ¹	England and Wales	Activities of a head office	100%
Poupart Imports Limited ¹	England and Wales	Fruit and produce	100%

Company name and registered address	Country of incorporation	Principal activity	Effective percentage of ordinary shares held by Orchard Fruit Holdings Limited
Subsidiaries of Orchard Fruit Holdings Limited			
Broad Stripe Butchers Limited ¹	England and Wales	Activities of a head office	100%
Citrus First S.L. ³	Spain	Citrus fruit and produce	50%
Citrus First (UK) Limited ¹	England and Wales	Citrus fruit and produce	50%
Norton Folgate Holdings Limited ¹	England and Wales	Holding company	100%
Norton Folgate Marketing Limited ¹	England and Wales	Stone fruit and produce	100%
OrchardWorld Limited ¹	England and Wales	Top fruit and produce	100%
OrchardWorld Holdings Limited ¹	England and Wales	Holding company	100%
Poupart Limited ¹	England and Wales	Activities of a head office	100%

Company name and registered address	Country of incorporation	Principal activity	Effective percentage of ordinary shares held by FM Hatton Group Limited
Subsidiaries of FM Hatton Group Limited			
BerryWorld Group Limited ¹	England and Wales	Activities of a head office	82%
BerryWorld North America LLC ⁴	USA	Soft fruit and produce	82%
BerryWorld USA Inc ⁴	USA	Soft fruit and produce	82%
BerryWorld US Holdings Limited ¹	England and Wales	Holding company	82%
Mastronardi BerryWorld America LLC ⁵	USA	Soft fruit and produce	33%
Mastronardi BerryWorld Varieties LLC ⁵	USA	Soft fruit and produce	33%

¹ The Henley Building, Newton Road, Henley on Thames, RG9 1HG

² Placa de la Palmera, Num 8, Planta 3, 17600 Figueres, Girona, España

³ Vicente Giner SA, Carretera de Fuente Encarróz, S/N, 46722 Beniflá (Valencia), España

⁴ 19200 Von Karman Avenue, Suite 900, Irvine, California, 92612, USA

⁵ 251 Little Falls Drive, Wilmington, Delaware, 19808, USA



Notes to the financial statements (continued)

for the year ended 31 December 2022

32. Subsidiaries, associates and related undertakings (continued)

<i>Company name and registered address</i>	<i>Country of incorporation</i>	<i>Principal activity</i>	<i>Effective percentage of ordinary shares held by BerryWorld Group Holdings Limited</i>
Subsidiaries of BerryWorld Group Holdings Limited			
Beekers Berries BV ¹	Netherlands	Soft fruit and produce	100%
Beekers Holding BV ¹	Netherlands	Soft fruit and produce	100%
Beekers Made BV ¹	Netherlands	Soft fruit and produce	100%
BerryWay SRL Limited ²	Italy	Soft fruit and produce	25%
BerryWorld Australia Pty Limited ³	Australia	Soft fruit and produce	51%
BerryWorld Canada Limited ⁴	Canada	Soft fruit and produce	100%
BerryWorld Chile SpA ⁵	Chile	Soft fruit and produce	100%
BerryWorld Europe B.V. ¹	Netherlands	Soft fruit and produce	100%
BerryWorld France ⁶	France	Soft fruit and produce	100%
BerryWorld Iberia S.L. ⁷	Spain	Soft fruit and produce	100%
BerryWorld Limited ⁸	England and Wales	Soft fruit and produce	100%
BerryWorld Local (Pty) Limited ⁹	South Africa	Soft fruit and produce	75%
BerryWorld Plus Limited ⁸	England and Wales	Soft fruit and produce	40%
BerryWorld (SA) (Pty) Limited ⁹	South Africa	Soft fruit and produce	75%
Cape Variety Group (Pty) Limited ⁹	South Africa	Soft fruit and produce	15%
Eurafruit Variety Group (Pty) Limited ⁹	South Africa	Soft fruit and produce	19%
PrepWorld Limited ⁹	England and Wales	Dormant	100%

33. Post balance sheet events

In May 2023, we sold a minority investment in BerryWorld Group Holdings Limited, which includes BerryWorld's EMEA and APAC businesses to Agroberries Limited. The transaction resulted in the issue of 50,616,748 C Ordinary Share for consideration of £25,204,933. Agroberries Limited also acquired the company's D2 Irredeemable Preference Shares for consideration of £2,324,565, which were subsequently converted to 1,250,000 C Ordinary Shares.

Part of the proceeds from that transaction allowed the Group to make a full and final settlement of a legal case which has been proceeding since February 2021. The settlement amount has been recognised in the 2022 Balance Sheet as an adjusting Post Balance Sheet Event.

¹ Schanseind 16, 4921 PM, The Netherlands, Made

² Saluzzo (CN), Via Beate Ancina 8, CAP12037, Italia

³ 382 Scurr Road, Wamuran, Queensland, 4512, Australia

⁴ 1300-1969 Upper Water Street, Purdy's Warf Tower II, Halifax, Nova Scotia, B3J3R7, Canada

⁵ Miraflores 222, 28th floor, Santiago, Chile

⁶ 4 Rue Jack London, 44400 Rezé, France

⁷ Avd. La Dehesa del Piomo, 1 Poligono Empresarial La Gravera, 21440 Lepe, Huelva, España

⁸ The Henley Building, Newton Road, Henley on Thames, RG9 1HG

⁹ Phase 1C, Second Floor, Office 1, The Woodmill Vredenburg Road, Stellenbosch – Western Cape – South Africa



Notes to the financial statements (continued)

for the year ended 31 December 2022

33. Post balance sheet events (continued)

In addition, the proceeds were used to acquire the final 25% minority share in BerryWorld (SA) (PTY) Limited to take the Group's shareholding to 100%.

In June 2023, the Group sold an investment property, held in the Balance Sheet at £15m, for £22m (£11m of which is deferred over 4 years).

On 29 September 2023, the Group refinanced its debt facilities. A deal with Leumi ABL has been agreed and the terms are detailed as below. As part of this refinancing, the Company and some of its subsidiaries are now participants in a new group arrangement under which all assets are held as collateral for the debt facilities. The facilities are secured under an all assets debenture dated 29 September 2023.

Facility	Amount	Margin	Interest	Expiry date
Invoice discounting	£40,000,000	2.15%	Margin plus Daily SONIA/3-month EURIBOR	29 September 2026
Revolving credit	£6,000,000	3.50%	Margin plus Daily SONIA	30 April 2024