

Cereform Limited

Annual report and financial statements for the
53-week period ended 31 August 2019

Company number 00346958



Contents

Strategic Report	3
Directors' Report	5
Statement of Directors' responsibilities in respect of the Strategic Report, Directors' Report and Financial statements	8
Independent auditor's report to the members of Cereform Limited	9
Income statement	12
Statement of comprehensive income	13
Balance sheet	14
Statement of changes in equity	15
Notes to the financial statements	16-32

Strategic Report for the 53-week period ended 31 August 2019

The directors present their annual report and the audited financial statements for the 53-week period ended 31 August 2019.

Principal activities

The principal activity of the company is the manufacture and sale of bakery ingredients.

Business review

Turnover increased by £20.9m to £105.9m (2018: £85.0m), deriving from the full year effect of the Fleming Howden and Holgran acquisition on 30th June 2018. Gross profit of £20.5m increased by £1.8m on the prior year.

The business continues to be impacted by currency movements and commodity price changes during 2018/19 as a result of the uncertainty surrounding the market regarding Brexit and subsequent discussion on the terms of the UK leaving the EU.

Administration and distribution costs were £17.5m combined, an increase of 46% (£5.5m) on 2018, again deriving from the full year effect of the Fleming Howden and Holgran acquisition. Operating profit of £3.0m was down by £3.8m on 2018 driven predominantly by the restructuring and exceptional costs incurred during the year.

Net assets increased by £2.4m year on year attributable to the retained profits with no dividend being declared.

The average number of employees increased from 265 to 291 primarily as a result of the acquisition in the prior year.

The results for the period are set out on page 12.

Principal risks and uncertainties

The principal uncertainties facing the company are:

- The impact of fluctuating exchange rates on purchases and sales denominated in foreign currencies. Management utilise contract hedging arrangements to minimise this risk;
- The impact of fluctuating commodity prices affecting procurement;
- Brexit; and
- Covid-19.

A full description of the principal risks and uncertainties applicable to the Associated British Foods plc group, of which this company is a subsidiary, are disclosed on pages 62 to 66 of the 2019 group Annual Report and were updated in the group's interim results announcement dated 21 April 2020, both of which are available at www.abf.co.uk.

Financial risk management

The company's operations expose it to a variety of financial risks, which include price risk, credit risk, liquidity risk and foreign exchange risk. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Commodity price risk

The commercial implications of commodity price movements are continuously assessed and, where appropriate, are reflected in the pricing of products.

Credit risk

Credit risk is the risk customers will default on their obligation to make payment for the product or services supplied. The company has implemented policies that require appropriate credit checks on potential customers before sales are made. In some circumstances advance payments are required.

Strategic Report for the 53-week period ended 31 August 2019 (continued)

Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with its financial liabilities. The risk is mitigated as the company has access to intra-group finance that is designed to ensure the company has sufficient available funds for operations and planned expansions.

Foreign exchange risk

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Euro. Foreign exchange risk arises from commercial transactions.

Where there is a significant forecast net position in any foreign currency a significant proportion of that risk is covered by forward contract hedging arrangements, as appropriate.

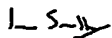
Future developments

The company aims to improve current profitability levels where possible and to mitigate the risks identified above.

Key performance indicators

	2019 £'000	2018 £'000
Revenue	105,898	84,983
Operating profit	3,440	6,803
Profit for the financial year	2,998	5,459
Shareholder's funds	23,326	21,066
Gross profit margin	19%	22%
Operating profit margin	3%	8%

By order of the board



I Smith
Director

Date: 28th May 2020

Weston Centre
10 Grosvenor Street
London
W1K 4QY

Directors' Report for the 53-week period ended 31 August 2019

The directors present their report and the audited financial statements of the company for the 53 week period ended 31 August 2019.

Dividends

The directors did not recommend the payment of a dividend (2018: £nil). No final dividend is proposed.

Research and development

The company has a substantial new product development resource which focuses on the development of new recipes, and the use of new ingredients. The department supports field technical projects and works with our customers and other technical centres within the group.

Employees

Employees are a key resource and the company is committed to offering equal opportunities to all in recruitment, training and career development. Full and fair consideration is given to applicants with disabilities. Health and safety are considered equal in importance to that of any function of the company and its business objectives emphasised by additional resource deployed in this area this financial year.

The company will brief and consults its employees on a regular basis to understand their views and to achieve an awareness of the financial and economic factors affecting the performance of the company.

Directors

The directors, who held office during the period, and since the end of the period, were:

A M Pollard
M Devenuto
I S Smith

Secretary

R Schofield

United Kingdom charitable and political contributions

There were charitable donations of £10,000 (2018: £7,000) paid during the period. There were no political contributions paid (2018: £nil).

Creditor payment policy

It is the company's policy to agree terms of business with suppliers prior to the supply of goods and services. In the absence of any dispute, the company pays in accordance with these terms. At the period end there were 39 days (2018: 64 days) purchases in trade creditors.

Health and safety

The company aims for its employees to Stay Accident Free Everyday (SAFE). The company encourages its people to enjoy their work and to carry it out in a safe and comfortable environment and minimise the environmental impact of their business activities. The company provides leadership, policies, training and guidance on what is expected to ensure that its aims are met, wherever people work and whatever their position in the organisation.

The company keeps its safety, health and environmental performance and levels of legal compliance under regular review and ensures that its risk management controls are appropriate and effective. The company's board of directors' reviews these at least annually, as does the board of Associated British Foods plc (ABF Group).

The company encourages its people to help monitor the effectiveness of its approach by drawing attention to any failings or weaknesses in systems or procedures so that together they can continually improve performance. The company believe that success in its health, safety and environmental performance is reliant on an effective partnership approach.

Directors' Report for the 53-week period ended 31 August 2019 (continued)

Health and safety (continued)

Each site has a representative committee able to address health, safety and environmental issues at the local level and ensure ongoing legal compliance. We encourage everyone to be proactively involved in their own and others' health and safety.

COVID-19 and going concern

Since the balance sheet date, the COVID-19 pandemic has spread across the world. This has highlighted the importance of the Global/UK food supply chain, in which the Company plays an important part.

The COVID-19 pandemic has, at the time of approving these financial statements, had no adverse impact on the Company. The demand for retail food staples has increased significantly as consumers stockpile. The closure of pubs and restaurants has led to a reduced demand for foodservice supply, offset by an increased demand for home cooking options. Our supply chain remains strong and we are working closely with retailers to ensure good supplies of products.

Uncertainty as to the length of the pandemic and the related measures to combat it mean that the 2020 full year impact cannot yet be known.

The circumstances of COVID-19 currently assessed as significant to Cereform Limited are:

- People – as our operations fall within the Government definition of a critical industry, key workers are still attending site and are following Public Health England guidelines when on site. Any member of staff who can work from home is doing so unless the role cannot be adequately performed other than at the employee's place of work.
- Health & safety - Social distancing measures are in place where possible across all sites. Where it is not possible, adjustments are made to limit contact with others in communal areas. Hand sanitising stations are also in place across all sites at points of entry or where there is shared access.
- Supply Chain – There has been no disruption to supply of product either from Suppliers or to our Customers. We are in regular contact with our key suppliers and are maintaining continuity of supply in raw materials, utilities and engineering materials and services.
- Demand - We are seeing consistent demand across most product ranges considering the large Industrial bread makers Cereform Limited supplies, ultimately supplying Supermarkets within the UK.
- Risks / opportunities - The business has experienced some reduction in demand from a number of B2C Customers who find themselves unable to continue operating under the current circumstances however this has been offset in part by increased demand for a number of home baking options.

The Company has received a letter of support from its intermediate parent company, ABF Investments plc, indicating that it will receive the financial and other support necessary for the Company to trade and meet its liabilities as and when they become due for a period of at least twelve months from the date of signing of these financial statements.

After making due enquiries and considering the impact of COVID-19 and the support available from the intermediate parent company described above, the directors have a reasonable expectation that the Company has adequate resources to continue in operation for at least 12 months from the date of signing of these financial statements. These considerations included the impact of COVID-19 on the wider ABF group, the ABF group's directors' assessment of going concern (as set out in its interim results announcement dated 21 April 2020 and available at www.abf.co.uk) and an assessment of any developments since that date that would adversely affect that conclusion. Accordingly, the financial statements have been prepared on the going concern basis."

Directors' Report for the 53-week period ended 31 August 2019 (continued)

Directors' Indemnities

The directors have benefited from the ABF group's directors and officer's insurance policy.

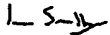
Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

By order of the board



I Smith
Director

Weston Centre
10 Grosvenor Street
London
W1K 4QY

Date: 28th May 2020

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

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

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Cereform Limited

Opinion

We have audited the financial statements of Cereform Limited for the 53-weeks ended 31 August 2019 which comprise of the Income statement, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 August 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – disclosure of effects of COVID-19

We draw attention to notes 2 and 19 of the financial statements, which describe the impact on the Company of COVID-19 in its operations and assessment of going concern. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Independent auditor's report to the members of Cereform Limited

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Cereform Limited

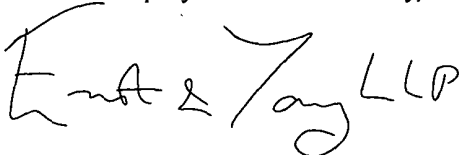
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Ernst & Young LLP', is written over the printed name of the auditor.

Fraser Bull (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge, United Kingdom

Date: 28th May 2020

Income Statement
for the 53-week period ended 31 August 2019

	<i>Note</i>	53-week period ended 31 August 2019 £'000	52-week period ended 25 August 2018 £'000
Turnover	3	105,898	84,983
Cost of sales	11	(85,399)	(66,244)
Gross profit		20,499	18,739
Distribution costs		(5,436)	(4,110)
Administration expenses		(12,065)	(7,826)
Operating profit	4	2,998	6,803
Other interest (payable)/receivable	7	(75)	33
Dividend income		-	-
Impairment of investment		-	-
Profit on ordinary activities before taxation		2,923	6,836
Tax on profit on ordinary activities	8	(532)	(1,377)
Profit for the financial period		2,391	5,459

All revenue and operating profit is derived from continuing activities. The notes on pages 16 to 32 form part of these financial statements.

Statement of comprehensive income
for the 53-week period ended 31 August 2019

	53-weeks ended 31 August 2019	52-weeks ended 25 August 2018
	£000	£000
Profit for the financial period	2,391	5,459
Other comprehensive income	-	-
Total comprehensive income for the year attributable to equity shareholders	<u>2,391</u>	<u>5,459</u>

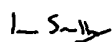
Balance sheet
at 31 August 2019

	<i>Notes</i>	31 August 2019	25 August 2018
		£'000	£'000
Fixed Assets			
Intangible assets	<i>9</i>	9,367	11,367
Tangible assets	<i>10</i>	9,091	8,546
		<hr/>	<hr/>
		18,458	19,913
Current assets			
Stocks	<i>11</i>	8,090	7,691
Debtors	<i>12</i>	17,283	19,576
Cash at bank and in hand		2,094	403
		<hr/>	<hr/>
Creditors: amounts falling due within one year	<i>13</i>	27,467 (20,865)	27,670 (24,286)
		<hr/>	<hr/>
Net current assets		6,602	3,384
		<hr/>	<hr/>
Total assets less current liabilities		25,060	23,297
Provisions for liabilities and charges	<i>14</i>	(1,603)	(2,231)
		<hr/>	<hr/>
Net assets		23,457	21,066
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Called up share capital	<i>15</i>	100	100
Retained earnings		23,357	20,966
		<hr/>	<hr/>
Shareholders' funds		23,457	21,066
		<hr/> <hr/>	<hr/> <hr/>

Registered No: 00346958

Notes on pages 16 to 32 form part of the financial statements.

These financial statements were approved by the board of directors on 28th May 2020 and were signed on its behalf by:



I Smith
Director

Statement of changes in equity
for the year ended 31 August 2019

	Share Capital (Note 16)	Retained earnings	Total Equity
	£'000	£'000	£'000
At 27 August 2017	100	15,507	15,607
Total comprehensive income for the year	-	5,459	5,459
At 25 August 2018	100	20,966	21,066
Total comprehensive income for the year	-	2,391	2,391
At 31 August 2019	100	23,357	23,457

Notes to the financial statements for the 53-week period ended 31 August 2019

1 Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Cereform Limited for the 53-weeks ended 31 August 2019 were authorised for issue by the board of directors on 28th May 2020. Cereform Limited is incorporated and domiciled in England and Wales.

The results of Cereform Limited are included in the consolidated financial statements of Associated British Foods plc which are available at Weston Centre, 10 Grosvenor Street, London, W1K 4QY.

The principal accounting policies adopted by the company are set out in note 2.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements of Cereform Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

The company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - paragraph 79(a)(iv) of IAS 1; and
 - paragraph 73(e) of IAS 16 Property, plant and equipment.
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 40A-D (requirements for a third statement of financial position);
 - 111 (cash flow statement information); and
 - 134-136 (capital management disclosures)
 - IAS 7, 'Statement of cash flows';

Notes to the financial statements for the 53-week period ended 31 August 2019

2 Accounting policies (continued)

- paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation);
- the requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group;
- the requirements of IFRS 7 'Financial Instruments: Disclosures'; and
- the requirements of paragraphs 91-99 of IFRS13, 'Fair Value Measurement'.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

COVID-19 and going concern

As set out in note 18, the smallest group in which the results of the company are consolidated is that headed by Associated British Foods plc, which confirmed in its interim results announcement dated 21 April 2020 that its directors have a reasonable expectation that the Associated British Foods plc group has adequate resources to continue in operational existence for the foreseeable future.

Further details of the impact of COVID-19 on the Company and on the directors' assessment of going concern are included in the "COVID-19 and going concern" section of the Directors' report and in the post-balance sheet events note.

New Accounting Policies

The two most significant new standards adopted in the current period are; IFRS 9 Financial Instruments and IFRS 15 Revenue Recognition.

The company adopted IFRS 15 in August 2018 and has applied it for the first time in the 2019 financial year. IFRS 15 was adopted retrospectively without the requirement to restate comparative information. IFRS 15 had no impact on the company's reported profits and no cumulative adjustment to recognise the impact of applying IFRS 15 in August 2018 was required.

An impact assessment was completed, and it was concluded that IFRS 15 would result in no change to the timing of revenue or the timing or amount of profit recognised.

The company adopted IFRS 9 in August 2018 and has applied it for the first time in the 2019 financial year, without restating comparative information. No cumulative adjustment to recognise the impact of applying IFRS 9 in August 2018 was required.

An impact assessment was completed. as a result of this assessment, it was concluded that the adoption of IFRS 9 would not have a significant impact on the profit or financial position.

The company will be adopting IFRS 16 from 2019/20 in the financial statements comprising recognition of both right of use asset and lease liability capital components.

Notes to the financial statements for the 53-week period ended 31 August 2019

2 Accounting policies (continued)

Turnover

IFRS 15 establishes a principles-based approach to recognising revenue only when performance obligations are satisfied, and control of the related goods or services is transferred. It addresses items such as the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 replaces IAS 18 Revenue and other related requirements. IFRS 15 applies a five-step approach to the timing of revenue recognition and applies to all contracts with customers except those in the scope of other standards.

- Step 1 Identify the contract(s) with a customer
- Step 2 Identify the performance obligations in the contract
- Step 3 Determine the transaction price
- Step 4 Allocate the transaction price to the performance obligations in the contract
- Step 5 Recognise revenue when (or as) the entity satisfies a performance obligation

Based on these criteria the Company typically recognises revenue at the point of delivery of products to Customers.

Rebates are given to a number of key customers based on a percentage of turnover sold to those customers. These rebates are paid to customers by way of sales credit notes and/or free goods. Provisions are made for these rebates at fair value and are deducted from turnover.

Fixed assets and depreciation

Depreciation, calculated on cost, is provided on a straight-line basis over the expected useful economic life of the asset as follows:

Freehold buildings	-	50 years
Plant, machinery, fixtures and fittings	-	2 - 12 years
Vehicles	-	3 years

Intangible assets – Goodwill

Acquired goodwill relates to the consideration paid on acquisitions, less the fair value of net assets acquired.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The choice of measurement of non-controlling interest, either at fair value or at the proportionate share of the acquiree's identifiable assets, is determined on a transaction by transaction basis. Acquisition costs incurred are expensed and included in administration expenses.

Notes to the financial statements for the 53-week period ended 31 August 2019

2 Accounting policies (continued)

The UK Companies Act requires goodwill to be reduced by provisions for depreciation on a systematic basis over a period chosen by the Directors, its useful economic life. However, under IFRS 3 Business Combinations goodwill is not amortised. Consequently, the Company does not amortise goodwill but reviews it for impairment on an annual basis or whenever there are indicators of impairment. The Company is therefore invoking a 'true and fair view override' to overcome the prohibition on the non-amortisation of goodwill in the Companies Act. The Company is not able to reliably estimate the impact on the financial statements of the true and fair override on the basis that the useful life of goodwill cannot be predicted with a satisfactory level of reliability, nor can the pattern in which goodwill diminishes be known.

Goodwill is initially measured at cost being the excess of the aggregate of the acquisition-date fair value of the consideration transferred and the amount recognising for the non-controlling interest over the net identifiable amounts of the assets acquired and the liabilities assumed in exchange for the business combination. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units (or groups of cash generating units) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which goodwill is allocated shall represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and not be larger than the operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Intangible Assets – Other

Intangible assets acquired through the acquisition of Fleming Howden and Holgran in 2018 are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

Impairment of Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is

Notes to the financial statements for the 53-week period ended 31 August 2019

2 Accounting policies (continued)

considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

For assets where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is recognised immediately in the income statement, unless the asset is carried at a revalued amount when it is treated as a revaluation increase.

Leases

Operating lease rentals are charged to the income statement account on a straight-line basis over the period of the lease.

Foreign currencies

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the income statement account.

Research and development

Expenditure in respect of research and development is written off in the period in which it is incurred. This amounted to £1,710,000 (2018: £1,540,000).

Stocks

Stocks are valued at the lower of cost and net realisable value after making due provision against obsolete and slow-moving items and a first in first out basis. In the case of finished goods manufactured by the company, the term 'cost' includes ingredients, direct production labour and an appropriate proportion of attributable production overheads and is a weighted average cost.

Taxation

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted, or substantively enacted at the balance sheet date.

Notes to the financial statements for the 53-week period ended 31 August 2019

2 Accounting policies (continued)

Group relief

It is the policy of the group to which the company belongs to charge for tax losses surrendered by way of group relief at a rate of UK corporation tax enacted at the date the companies' profits were earned.

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the income statement account represents the contributions payable to the scheme in respect of the accounting period.

The company is also a member of the Associated British Foods plc pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. As the company is unable to identify its share of the scheme's assets and liabilities on a consistent and reasonable basis, as permitted by FRS 101, the scheme has been accounted for as if it were a defined contribution scheme. The pension charge for the period represents the contributions payable by the company to the scheme.

Financial instruments

Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in administration expense. Loans and receivables are derecognised when repaid.

This category generally applies to debtors and cash at bank and in hand.

Financial liabilities carried at amortised cost

All financial liabilities are recognised initially at fair value net of directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Income statement.

Notes to the financial statements for the 53-week period ended 31 August 2019

2 Accounting policies (continued)

The company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other operating income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

Judgements and key sources of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amount reported for assets, liabilities, revenues and expenses. However, the nature of estimation means that the actual outcomes may differ from the estimates. The key judgement and uncertainty arises from:

- Impairment of stock – the company holds significant levels of stock. Management make judgements about the net realisable value of stock, thereby identifying the need for an impairment provision.
- Bad debt provision – management makes judgements about the recoverability of debtors and provide for any specific bad debts based on the probability of the customers' ability to pay using past history and specific industry credit reports.
- Rebates – the company provides for rebates based on signed negotiated commercial terms with customers. Management are required to estimate the liability based on these terms.

Notes to the financial statements for the 53-week period ended 31 August 2019

3 Segmental information

The table below sets out turnover for each of the company's geographic areas of operation:

	53-week period ended 31 August 2019 £'000	52-week period ended 25 August 2018 £'000
UK	99,512	78,884
Rest of Europe	6,194	6,030
Rest of World	192	69
	<u>105,898</u>	<u>84,983</u>

In the opinion of the directors, the company operates in only one business segment, being the manufacture and sale of food products.

4 Operating Profit

	53-week period ended 31 August 2019 £'000	52-week period ended 25 August 2018 £'000
<i>Operating Profit is stated after charging/(crediting):</i>		
Depreciation and other amounts written off owned fixed tangible assets:		
- owned	1,535	1,537
Amortisation of Intangible assets	2,000	333
Rentals payable under operating leases		
- hire of plant and machinery	186	127
- other leases	981	350
Research & development expenditure	1,710	1,540
Restructuring and Exceptional Costs	1,835	-
	<u></u>	<u></u>
Amounts receivable by the auditors and their associates in respect of:		
- the audit of these financial statements	43	37
	<u></u>	<u></u>

Notes to the financial statements for the 53-week period ended 31 August 2019

5 Directors and employees

The average number of persons employed by the company (excluding Directors) during the period was:

	53-week period ended 31 August 2019	52-week period ended 25 August 2018
Direct	127	116
Administrative	164	149
	<hr/>	<hr/>
Average number of employees	291	265
	<hr/>	<hr/>

The aggregate staff costs of these persons were as follows:

	£'000	£'000
Wages and salaries	10,562	8,490
Social security costs	1,095	988
Other pension costs	1,200	1,171
	<hr/>	<hr/>
	12,857	10,649
	<hr/>	<hr/>

In the current and prior periods two directors were remunerated for their services to the company.

The remaining directors who held office during the current and prior periods are employed and remunerated by other companies within the ABF group. None of their remuneration was deemed to be directly for their services to the company.

	£'000	£'000
<i>Directors' emoluments</i>		
Remuneration	477	528
Pension contributions	43	75
	<hr/>	<hr/>
	520	603
	<hr/>	<hr/>

During the current and prior periods two of the Directors participated in a defined benefit pension scheme.

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid Director was £270,212 (2018: £280,532), and company pension contributions of £44,209 (2018: £41,041) were made to a defined benefit scheme, under which his accrued pension at the year-end was £43,099 (2018: £41,320).

Notes to the financial statements for the 53-week period ended 31 August 2019

5 Directors and employees (continued)

The company's net holiday accrued but not yet taken was £nil (2018: £nil). The company operates a calendar year holiday model where employees are required to have taken all holidays by 31 December.

The company participates in paying the Apprenticeship Levy, starting in April 2017. £53,281 was paid for in the year (2018: £43,588).

6 Pensions

The parent group's final salary pension costs are assessed in accordance with the advice of a qualified actuary on the basis of final pensionable earnings. Particulars of the last actuarial valuation of the scheme are contained in the financial statements of Associated British Foods plc.

The company is a member of the Associated British Foods plc pension scheme providing benefits based on final pensionable pay. Because the company is unable to identify its share of the scheme's assets and liabilities on a consistent and reasonable basis, as permitted by FRS 101 the scheme has been accounted for by the company as if the scheme is a defined contribution scheme. The pension charge for the period represents the contributions payable by the company to the scheme and amounted to £494,000 (2018: £660,000).

On 30 September 2002 the scheme was closed to new members, with defined contribution arrangements introduced for new members. For the defined contribution scheme, the pension costs are the contributions payable by the company to the scheme and amounted to £469,000 (2018: £350,000).

The last actuarial valuation of the Associated British Foods Pension Scheme was carried out as at 5 April 2017. At the valuation date the total market value of the assets of the schemes was £3.8bn.

Full IAS 19 disclosures can be found within the financial statements of Associated British Foods plc, which may be obtained from Associated British Foods plc, Weston Centre, 10 Grosvenor Street, London, W1K 4QY. The consolidated accounts of Associated British Foods plc are also available for download on the group's website at www.abf.co.uk

Pension costs prepaid at the period end were £nil (2018: £nil).

7 Other interest income and expense

	53-week period ended 31 August 2019 £'000	52-week period ended 25 August 2018 £'000
Interest income from group undertakings	-	33
Interest expense from group undertakings	(75)	-
	<hr/>	<hr/>

Notes to the financial statements for the 53-week period ended 31 August 2019

8 Taxation

(a) Analysis of charge in period:	53-week period ended 31 August 2019 £'000	52-week period ended 25 August 2018 £'000
<i>UK corporation tax</i>		
Current tax on income for the period	880	1,454
Prior period adjustments	60	5
	<hr/>	<hr/>
Total current tax	940	1,459
<i>Deferred tax</i>		
Origination/reversal of timing differences	(284)	(80)
Effect of change in tax rate	(6)	3
Prior period adjustments	(118)	(5)
	<hr/>	<hr/>
Tax on profit on ordinary activities	532	1,377
	<hr/> <hr/>	<hr/> <hr/>

(b) Factors affecting the tax charge for the current period

The current tax charge for the period is different from the standard rate of corporation tax in the UK of 19.0% (2018: 19.00%). The differences are explained below:

	53-week period ended 31 August 2019 £'000	52-week period ended 25 August 2018 £'000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	2,923	6,836
	<hr/>	<hr/>
Current tax at 19.00% (2018: 19.00%)	555	1,299
<i>Effects of:</i>		
Effect of rate change	(6)	4
Expenses not deductible	41	74
Adjustments to tax charge in respect of previous periods	(58)	-
	<hr/>	<hr/>
Total tax charge	532	1,377
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements for the 53-week period ended 31 August 2019

8 Taxation (continued)

(c) Factors affecting the tax charge for the current period

The UK corporation tax rate was reduced from 20% to 19% with effect from 1 April 2017, with a further reduction to 17% effective from 1 April 2020. The legislation to effect these rate changes was enacted before the balance sheet date. As deferred tax is measured at the rates that are expected to apply in the periods when the underlying timing differences reverse, closing deferred tax balances have been calculated using a rate of 17%.

9 Intangible assets

	Customer Relationships	Goodwill	Other Intangibles	Total
	£'000	£'000	£'000	£'000
<i>Cost</i>				
At beginning of period	9,600	1,700	400	11,700
Additions	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	9,600	1,700	400	11,700
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Amortisation</i>				
At beginning of period	320	-	13	333
Charge for the period	1,920	-	80	2,000
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	2,240	-	93	2,333
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 August 2019	7,360	1,700	307	9,367
	<hr/>	<hr/>	<hr/>	<hr/>
At 25 August 2018	9,280	1,700	387	11,367
	<hr/>	<hr/>	<hr/>	<hr/>

Intangible assets acquired through business acquisitions relate to the Fleming Howden and Holgran business acquisitions in 2018. These comprise Customer relationships, other intangibles and goodwill.

The amortisation period for Customer relationships and other covers a 5-year period of which there were 3.8 years remaining as at 31st August 2019.

The recoverable amount of the goodwill in relation to these businesses has been determined using a volume in use calculation using cash flow projections based on financial estimations approved by the board covering a 4-year period. No impairment is required as a result of these calculations.

Notes to the financial statements for the 53-week period ended 31 August 2019

10 Tangible fixed assets

	Land and buildings £'000	Plant and machinery £'000	Fixtures and fittings £'000	Assets in the course of construction £'000	Total £'000
Cost					
At beginning of period	2,375	31,103	2,069	1,733	37,280
Additions	-	-	-	2,092	2,092
Acquired assets	-	-	-	-	-
Disposals	-	(1,541)	-	-	(1,541)
Transfers	63	1,986	137	(2,186)	-
At end of period	2,438	31,548	2,206	1,639	37,831
Depreciation					
At beginning of period	966	25,962	1,806	-	28,734
Charge for the period	46	1,387	102	-	1,535
On disposals	-	(1,529)	-	-	(1,529)
At end of period	1,012	25,820	1,908	-	28,740
Net book value					
At 31 August 2019	1,426	5,728	298	1,639	9,091
At 25 August 2018	1,409	5,141	263	1,733	8,546

The gross book value of land and buildings includes £485,000 (2018: £485,000) of non-depreciable assets. These are all owned freehold.

11 Stocks

	31 August 2019 £'000	25 August 2018 £'000
Raw materials and consumables	3,575	3,397
Finished goods and goods for resale	4,515	4,294
	8,090	7,691

Stocks are carried at lower of cost and net realisable value. Stocks are stated after provisions for impairment of £447,167 (2018: £480,837).

During the year, £85.4m (2018: £66.2m) was recognised in cost of sales as an expense for inventories.

Notes to the financial statements for the 53-week period ended 31 August 2019

12 Debtors

	31 August 2019 £'000	25 August 2018 £'000
Trade debtors	13,823	16,158
Amounts owed by group undertakings	2,146	2,293
Other debtors	149	1
Prepayments and accrued income	867	1,039
Derivative assets	298	85
	<u>17,283</u>	<u>19,576</u>

Trade debtors are stated after bad debt allowances of £224,526 (2018: £224,237). The amounts owed by other group undertakings are unsecured, non-interest bearing and have no fixed repayment date.

13 Creditors: amounts falling due within one year

	31 August 2019 £'000	25 August 2018 £'000
Trade creditors	10,070	11,850
Amounts owed to group undertakings	1,466	1,578
Corporation tax	2,337	2,815
Other tax and social security	543	-
Accruals and deferred income	3,353	5,095
Other creditors	233	-
Bank Overdraft	2,863	2,948
	<u>20,865</u>	<u>24,286</u>

The amounts owed by other group undertakings are unsecured, non-interest bearing and have no fixed repayment date

Notes to the financial statements for the 53-week period ended 31 August 2019

14 Provisions for liabilities and charges

	Dilapidations	Deferred taxation	Total
	£'000	£'000	£'000
At beginning of the period	270	1,961	2,231
Other short term timing differences amortised to the income statement	-	-	-
Debit/(Credited) to the income statement for the period	(220)	(408)	(628)
	<hr/>	<hr/>	<hr/>
At end of the period	50	1,553	1,603
	<hr/>	<hr/>	<hr/>

The company recognises a provision for dilapidations at all leased properties.

The elements of deferred taxation are as follows:

	31 August 2019	25 August 2018
	£'000	£'000
Difference between accumulated depreciation / amortisation and capital allowances	1,553	1,961
	<hr/>	<hr/>

15 Called up share capital

	31 August 2019		25 August 2018	
	Number	£'000	Number	£'000
<i>Allotted, called up and fully paid</i>				
"A" Ordinary shares of £1 each	75,000	75	75,000	75
"B" Ordinary shares of £1 each	25,000	25	25,000	25
	<hr/>	<hr/>	<hr/>	<hr/>
	100,000	100	100,000	100
	<hr/>	<hr/>	<hr/>	<hr/>

The 'A' and 'B' shares are ordinary shares of £1 each and rank pari passu in all respects.

16 Contingent liabilities

There were no contingent liabilities as at 31 August 2019 (2018: £nil).

Notes to the financial statements for the 53-week period ended 31 August 2019

17 Commitments

There were capital commitments as at 31 August 2019 of £201,000 (2018: £65,000).

Annual commitments under non-cancellable operating leases are as follows:

	31 August 2019		25 August 2018	
	Land and Buildings	Other	Land and Buildings	Other
	£'000	£'000	£'000	£'000
Operating leases which expire:				
Within one year	316	121	350	292
In the second to fifth years inclusive	731	298	786	380
Over five years	265	-	441	-
	<u>1,312</u>	<u>419</u>	<u>1,577</u>	<u>672</u>

18 Ultimate parent company

The immediate holding company is A.B.F. Holdings Limited, a company registered in England and Wales. The ultimate holding company is Wittington Investments Limited which is incorporated in Great Britain and registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by Wittington Investments Limited. The smallest group in which they are consolidated is that headed by Associated British Foods plc which is incorporated in Great Britain and registered in England and Wales.

The consolidated accounts of these groups are available to the public and may be obtained from Weston Centre, 10 Grosvenor Street, London W1K 4QY. The consolidated accounts of Associated British Foods plc are also available to download on the group's website at www.abf.co.uk.

19 Post-balance sheet events

Since the balance sheet date, the COVID-19 pandemic has spread across the world. This is considered a non-adjusting post-balance sheet event and any impact of COVID-19 on the Company will be reported in the 2020 financial statements.

This has highlighted the importance of the Global/UK food supply chain, in which the Company plays an important part.

The COVID-19 pandemic has, at the time of approving these financial statements, had no adverse impact on the Company. The demand for retail food staples has increased significantly as consumers stockpile. The closure of pubs and restaurants has led to a reduced demand for foodservice supply, offset by an increased demand for home cooking options. Our supply chain remains strong and we are working closely with retailers to ensure good supplies of products.

Uncertainty as to the length of the pandemic and the related measures to combat it mean that the 2020 full year impact cannot yet be known.

Notes to the financial statements for the 53-week period ended 31 August 2019

19 Post-balance sheet events (continued)

The circumstances of COVID-19 currently assessed as significant to Cereform Limited are:

- People – as our operations fall within the Government definition of a critical industry, key workers are still attending site and are following Public Health England guidelines when on site. Any member of staff who can work from home is doing so unless the role cannot be adequately performed other than at the employee's place of work.
- Health & safety - Social distancing measures are in place where possible across all sites. Where it is not possible, adjustments are made to limit contact with others in communal areas. Hand sanitising stations are also in place across all sites at points of entry or where there is shared access.
- Supply Chain – There has been no disruption to supply of product either from Suppliers or to our Customers. We are in regular contact with our key suppliers and are maintaining continuity of supply in raw materials, utilities and engineering materials and services.
- Demand - We are seeing consistent demand across most product ranges considering the large Industrial bread makers Cereform Limited supplies, ultimately supplying Supermarkets within the UK.
- Risks / opportunities - The business has experienced some reduction in demand from a number of B2C Customers who find themselves unable to continue operating under the current circumstances however this has been offset in part by increased demand for a number of home baking options.