

**REGISTERED NUMBER: 00465947 (England and Wales)**

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022  
FOR  
COOPLAND & SON (SCARBOROUGH) LIMITED**



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**for the year ended 31 March 2022**

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**COOPLAND & SON (SCARBOROUGH) LIMITED**

**COMPANY INFORMATION**  
**for the year ended 31 March 2022**

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**DIRECTORS:**

Zuber Issa  
Mohsin Issa

**REGISTERED OFFICE:**

Caxton Way  
Pindar Business Park  
Eastfield  
Scarborough  
North Yorkshire  
YO11 3YT

**REGISTERED NUMBER:**

00465947 (England and Wales)

**STRATEGIC REPORT**  
**for the year ended 31 March 2022**

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The Directors present their strategic report for the year ended 31 March 2022.

**REVIEW OF BUSINESS**

The results presented are for the 52 weeks to 2nd April 2022 (2021 - 53 weeks to 3rd April 2021).

During the reporting period, the Group was acquired by EG Foodservice Limited, which will allow the Group to utilise the wider EG Group store network and accelerate growth in the coming years.

Despite the easing of Government COVID restrictions through Q2, increases in the cost of raw materials and labour inflation have challenged margins for the Company. Wage costs continued to be impacted by the National Living Wage increases and the decision was made in 2021 to pay above the minimum rate across all retail outlets to attract and retain our teams. Despite this, the operating loss before other operating income, reduced to a loss of £1m (2021 - £1.3m). Revenue increased in 2022 by 30% to £68.1m (2021 - £52.2m).

Going forward, the outlook for the economy remains uncertain. Like many businesses in our sector which have been impacted by raw material inflation, in particular cooking oils and flour, as well electricity costs, margins will continue to be challenged. Record levels of inflation in the UK economy will impact consumer spending. We will continue to look for innovative solutions to offset these pressures, whilst also maintaining levels of product quality and great customer service. There remains a focus on procurement strategy, complemented by further investment in our procurement team. With the acquisition by EG Foodservice Limited, the Company will look to utilise the wider EG Group network and benefit from efficiencies resulting from the economies of scale the acquisition presents. The Company believes the acquisition by EG Foodservice Limited presents an opportunity to grow the brand across the country, away from its heartlands in the North East, whilst also benefitting from synergies as new store openings maturing over the coming years.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve the business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Directors regularly review the risks to which the Company is exposed, as well as the operation and effectiveness of the system of internal controls.

The Company's principal financial instruments comprise banks balances, trade creditors, trade debtors, loans to the Company and finance lease agreements. The main purpose of these instruments is to raise funds for the Company's operations and to finance the Company's operations.

Due to the Company's largely retail structure, the risk of material bad debt is low, although this is limited further by regular reviews of outstanding balances due. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

The Company does not have any external loans outside of the group. With the majority of sales revenue cash based, working capital remains low enabling management of cash flow.

**SECTION 172(1) STATEMENT**

This section serves as our section 172 statement and should be read in conjunction with the Review of Business. Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making.

The Directors are aware of their responsibilities to promote the success of the Company in accordance with the Act, and actively consider the strategy most likely to promote success for its investors in the long term. This strategy has regard to the interests of the Company's employees and other stakeholders including the impact of its activities on our community, the environment and the Company's reputation when making decisions.

We recognise that our employees are an invaluable asset to the Company and make every effort to regularly cascade relevant information to them and give an opportunity for feedback. As a responsible employer, we consider the implications of decisions on our colleagues, and aim to provide a safe, fair, healthy, and enjoyable workplace. We actively encourage participation in Health & Safety training and have in place an improvement suggestion system. We ensure that training is available throughout the organisation to allow colleagues to grow their potential, ranging from food safety and attendance at our in house training bakery unit, to administration based qualifications.

The Directors, and all our employees, deeply value our customers, and the provision of quality products and individual service to them is at the heart of our decisions. Our relationship with our suppliers is also of utmost importance to us, and we aim to foster good relationships with them by trading fairly and working closely with them with the aim of mutual success.

**STRATEGIC REPORT**

for the year ended 31 March 2022

**STREAMLINED ENERGY AND CARBON REPORTING**

The Company uses electricity and gas for production and retail purposes, and diesel to fuel its delivery fleet. It is considered that these are the main areas of environmental impact by the Company.

We actively seek to minimise and reduce consumption of these commodities wherever it is practically possible to do so and are Energy Savings Opportunity Scheme (ESOS) stage 2 compliant. Additionally, the Company is a member of a Climate Change Agreement facilitated through our trade body (NAMB).

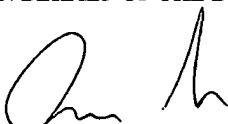
	<u>Electric ('000 kwh)</u>	<u>Gas ('000 kwh)</u>	<u>Diesel ('000 Litres)</u>
Usage	15,012 (2021 - 13,920)	6,792 (2021 - 8,257)	530 (2021 - 538)
	<u>Carbon ('000 KG)</u>	<u>KG Carbon v tonne of product produced</u>	
	4,699 (2021 - 6,228)	509 (2021 - 776)	
		34% improvement (2021: 6.17% improvement)	

**EMPLOYMENT POLICIES**

It is the policy of the Company that there should be no unfair discrimination in considering applications for employment, including those from disabled persons. Should any employee become disabled, every practical effort is made to provide continuing employment.

The Directors are committed to maintain and develop communication with employees, who are encouraged to become aware of and involve themselves in the performance of the Company.

**ON BEHALF OF THE BOARD:**



Zuber Issa - Director

Date: 21 December 2022

**REPORT OF THE DIRECTORS**  
**for the year ended 31 March 2022**

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The Directors present their report with the financial statements of the Company for the year ended 31 March 2022.

**PRINCIPAL ACTIVITIES**

The principal activities of the Company in the year under review were those of food manufacture and distribution through retail outlets.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2022.

**DIRECTORS**

The Directors who have held office during the period from 1 April 2021 to the date of this report are as follows:

P W Coopland - resigned 2 October 2021  
Mrs B M Youngs - resigned 2 October 2021  
J W Ruddock - resigned 2 October 2021  
D J Salkeld - resigned 2 October 2021  
Mrs J Turnbull - resigned 7 May 2021  
Z Issa - appointed 2 October 2021  
M Issa - appointed 2 October 2021

**GOING CONCERN**

The financial statements have been prepared on the going concern basis. The Company operates through a portfolio of nearly 200 retail outlets and, following acquisition by EG Group Holdings Limited, the Company has plans to invest in the brand and fresh food offering including diversifying the brand into the transient petrol forecourt and retail convenience store channel utilising the strength of the wider group to do so. As such, at this time, the Company relies on parental support. In making their assessment of the Company's ability to continue as a going concern, the Directors have considered the cash flow projections for the Company and the funding requirements of the Company during the going concern assessment period to December 2023 as well as the current financial position of the Company including the net current liabilities at the balance sheet date. The Directors have obtained a letter of support from the parent Company confirming they will provide support to the Company should it be required during this period. The Directors have considered the ability of the parent Company to provide such support and have concluded that the group has sufficient resources available to it to do so. Consequently, the Directors have continued to adopt the going concern basis in the preparation of these financial statements.

**DISCLOSURE IN THE STRATEGIC REPORT**

The fair review of the Company's business including employment policies and risk exposure is included in the Strategic Report.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

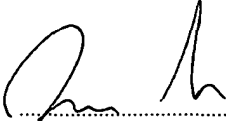
**REPORT OF THE DIRECTORS**  
**for the year ended 31 March 2022**

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**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the Directors are aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each Director has taken all the steps he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**



.....  
Zuber Issa - Director

Date: 21 December 2022  
.....

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COOPLAND & SON (SCARBOROUGH) LIMITED**

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### **Opinion**

We have audited the financial statements of Coopland & Son (Scarborough) Limited (the 'Company') for the year ended 31 March 2022 which comprise Income Statement, Statement of Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022, and of its loss 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 responsibilities for the audit of the financial statements section of our report. 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.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern during the assessment period to December 2023, being a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report has 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 and the 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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COOPLAND & SON (SCARBOROUGH) LIMITED**

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### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement set out on page 4, 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.

### **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 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.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance and management.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Companies Act 2006 and UK Financial Reporting Standards as issued by the Financial Reporting Council. In addition, we concluded that there are certain laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements relating to taxation, employment, environment and health and safety.

We obtained an understanding of how the Company complies with these requirements by making enquiries of management, including those responsible for legal and compliance matters. We specifically enquired as to any known or suspected instances of non-compliance with laws and regulations and how the Company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries by reviewing supporting documents including board minutes and our understanding of the entity level control framework in place, such as employee code of conduct and similar policies.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they consider there may be susceptibility to fraud. We also considered the entity level controls in place. We considered the existence of performance targets, such as bonus schemes, and the potential influence these may have on management to manipulate reported results. We performed walkthroughs of the key processes to gain an understanding of the controls in place to address the risk of fraud either by preventing or detecting and correcting such irregularities. Where the risk was higher, we performed audit procedures to address each identified fraud risk. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Based on this understanding, we designed our audit procedures to identify material noncompliance with such laws and regulations. Our procedures involved journal entry testing focusing on manual journals or journals that indicated an unusual or large transaction; review of board minutes, enquiries of management; and challenge of the assumptions and judgements made by management including reviewing third party evidence wherever possible. These procedures included use of data analysis procedures where appropriate.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
COOPLAND & SON (SCARBOROUGH) LIMITED**

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**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 a Report of the Auditors 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.

*Smailes Goldie Watson Limited*

Matthew Fox FCCA (Senior Statutory Auditor)  
for and on behalf of Smailes Goldie Watson Limited  
Statutory Auditors  
Chartered Accountants  
12 Alma Square  
Scarborough  
North Yorkshire  
YO11 1JU

Date: .....

*23/12/22*

**COOPLAND & SON (SCARBOROUGH) LIMITED (REGISTERED NUMBER: 00465947)**

**INCOME STATEMENT  
for the year ended 31 March 2022**

	Notes	2022 £	2021 £
<b>REVENUE</b>		68,112,442	52,199,350
Cost of sales		<u>25,563,625</u>	<u>18,511,043</u>
<b>GROSS PROFIT</b>		42,548,817	33,688,307
Distribution costs		24,181,557	19,901,359
Administrative expenses		<u>19,379,286</u>	<u>15,136,577</u>
		<u>43,560,843</u>	<u>35,037,936</u>
		(1,012,026)	(1,349,629)
Other operating income	3	<u>238,117</u>	<u>2,702,507</u>
<b>OPERATING (LOSS)/PROFIT</b>	5	(773,909)	1,352,878
Interest receivable and similar income		<u>3,183</u>	<u>2,346</u>
		(770,726)	1,355,224
Interest payable and similar expenses	6	<u>-</u>	<u>4,190</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(770,726)	1,351,034
Tax on (loss)/profit	7	<u>68,738</u>	<u>254,346</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<u>(839,464)</u>	<u>1,096,688</u>

The notes form part of these financial statements

**COOPLAND & SON (SCARBOROUGH) LIMITED (REGISTERED NUMBER: 00465947)**

**OTHER COMPREHENSIVE INCOME**  
**for the year ended 31 March 2022**

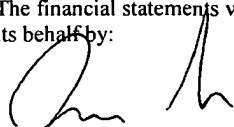
	Notes	2022 £	2021 £
<b>(LOSS)/PROFIT FOR THE YEAR</b>		(839,464)	1,096,688
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>(839,464)</u>	<u>1,096,688</u>

The notes form part of these financial statements

**COOPLAND & SON (SCARBOROUGH) LIMITED (REGISTERED NUMBER: 00465947)****STATEMENT OF FINANCIAL POSITION**  
**31 March 2022**

	Notes	2022	2021
		£	£
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
Property, plant and equipment	9	14,111,492	14,180,330
<b>CURRENT ASSETS</b>			
Inventories	10	2,045,653	1,602,787
Debtors	11	2,745,241	1,945,104
Cash at bank and in hand		<u>2,092,730</u>	<u>5,688,584</u>
		<u>6,883,624</u>	<u>9,236,475</u>
		<u>20,995,116</u>	<u>23,416,805</u>
<b>CAPITAL, RESERVES AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	8,899	8,899
Capital redemption reserve	13	1,875	1,875
Retained earnings	13	<u>13,320,047</u>	<u>14,159,511</u>
<b>SHAREHOLDERS' FUNDS</b>		13,330,821	14,170,285
<b>PROVISIONS FOR LIABILITIES</b>	14	495,496	203,496
<b>CREDITORS</b>	15	<u>7,168,799</u>	<u>9,043,024</u>
		<u>20,995,116</u>	<u>23,416,805</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21 December 2022 and were signed on its behalf by:



.....  
Zuber Issa - Director

**COOPLAND & SON (SCARBOROUGH) LIMITED (REGISTERED NUMBER: 00465947)****STATEMENT OF CHANGES IN EQUITY  
for the year ended 31 March 2022**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
<b>Balance at 1 April 2020</b>	8,899	13,849,973	1,875	13,860,747
<b>Changes in equity</b>				
Dividends	-	(787,150)	-	(787,150)
Total comprehensive income	-	<u>1,096,688</u>	-	<u>1,096,688</u>
<b>Balance at 31 March 2021</b>	<u>8,899</u>	<u>14,159,511</u>	<u>1,875</u>	<u>14,170,285</u>
<b>Changes in equity</b>				
Total comprehensive income	-	<u>(839,464)</u>	-	<u>(839,464)</u>
<b>Balance at 31 March 2022</b>	<u>8,899</u>	<u>13,320,047</u>	<u>1,875</u>	<u>13,330,821</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2022**

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**1. STATUTORY INFORMATION**

Coopland & Son (Scarborough) Limited is a private Company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Going concern**

The financial statements have been prepared on the going concern basis. The Company operates through a portfolio of nearly 200 retail outlets and, following acquisition by EG Group Holdings Limited, the Company has plans to invest in the brand and fresh food offering including diversifying the brand into the transient petrol forecourt and retail convenience store channel utilising the strength of the wider group to do so. As such, at this time, the Company relies on parental support. In making their assessment of the Company's ability to continue as a going concern, the Directors have considered the cash flow projections for the Company and the funding requirements of the Company during the going concern assessment period to December 2023 as well as the current financial position of the Company including the net current liabilities at the balance sheet date. The Directors have obtained a letter of support from the parent Company confirming they will provide support to the Company should it be required during this period. The Directors have considered the ability of the parent Company to provide such support and have concluded that the group has sufficient resources available to it to do so. Consequently, the Directors have continued to adopt the going concern basis in the preparation of these financial statements.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of paragraph 33.7.

**Related party exemption**

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2022

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2. ACCOUNTING POLICIES - continued

**Significant judgements and estimates**

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

**Critical judgements in applying the Company's policies**

Impairment reviews

A review for indicators of impairment of property, plant and equipment is performed annually. Should indicators of impairment be identified, an assessment of impairment is performed by comparing the recoverable amount, by reference to the value in use or the fair value less costs to sell, to the carrying value. For retail outlets, the value in use is determined by applying a relevant discount factor to the cash flow projects of that outlet. For corporate assets such as the Company's bakeries, an evaluation of the aggregate of the individual retail outlet CGUs is taken to make the assessment. Where an impairment is present, this is recognised in the income statement in the year.

**Critical accounting estimates and assumptions**

Useful economic lives and residual values of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The assumptions used regarding useful economic lives and residual values are assessed annually. They are amended when necessary to reflect current estimates, based on market conditions and the physical condition of the assets.

The Directors do not consider that any other judgements, estimates and assumptions used in the preparation of these financial statements have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Revenue**

Revenue comprises goods and services supplied to customers, net of value added tax and trade discounts. Results are taken to the closest Saturday to the date of these financial statements, meaning the results presented for the year ended 31 March 2022 are based on the 52 weeks to Saturday 2 April 2022 (2021 - 53 weeks to Saturday 3 April 2021).

**Tangible fixed assets**

Depreciation of fixed assets has been provided at various rates which are anticipated to amortise the cost less residual value on a straight line basis over the assets' expected useful lives. Indicative annual rates are:

Freehold land	0%
Freehold buildings	2%
Short leasehold land and buildings	Over the term of the lease
Fixtures, fittings and equipment	10%-33%
Motor vehicles	20%-25%

Shop and cafe refurbishments in leasehold premises are included within fixtures, fittings and equipment and are written off on a straight line basis at 20% per annum. Impairment reviews are undertaken when there is an indication that an asset may be impaired.

**Government grants**

Grants are recognised using the accruals model. Revenue grants are recognised as other operating income on a systematic basis over the period in which the related costs for which the grants are intended to compensate are so recognised. Grants receivable as compensation for expenses or losses already incurred, or for the purpose of receiving immediate financial support, are recognised in other operating income in the period in which they become receivable.

**Inventories**

Inventories are valued at the lower of cost and net realisable value using the FIFO basis. Costs of inventories include all costs of purchase, costs of conversion and other costs in bringing the inventories to their present location and condition.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 March 2022**

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**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade, other accounts receivable and payable and loans.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Debt instruments such as loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised costs using the effective interest method.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Pension costs and other post-retirement benefits**

Payments to defined contribution pension schemes are charged as an expense in the period to which they relate.

**Leasing**

Assets acquired under finance lease agreements, including hire purchase agreements, are capitalised and the corresponding liability is included in creditors. Finance lease interest is charged to the profit and loss account on a reducing balance basis. Operating lease rentals are charged against profits of the period to which they relate.

**Administrative expenses**

Administrative expenses include all direct costs relating to the operation of the bakeries and trading outlets except for wages which are included in cost of sales and distribution costs respectively.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cash in transit and cash at bank and short-term deposits with banks with a maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents includes debit and credit card payments made by customers which are receivable from banks and clear the bank within three working days of the transaction date.

At its meeting on 15 September 2021, the IFRS Interpretations Committee (IFRS IC) reached a tentative agenda decision (TAD) on a submission concerning Cash received via Electronic Transfer as Settlement for a Financial Asset (IFRS 9 Financial Instruments). The TAD looks at the timing of when it is appropriate to recognise a financial asset (the cash) in relation to EFT transactions that are not received in the bank until a few days later. Should the TAD come into force then, although the Company's financial statements are not prepared under IFRS, the Company would still need to consider the impact on its financial statements which would most likely see such balances recorded as amounts due from customers (rather than cash) until the monies are received in the bank.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 March 2022**

**3. OTHER OPERATING INCOME**

	2022	2021
	£	£
Rental receipts	156,034	169,514
RDEC claim	-	80,288
Government grants	<u>82,083</u>	<u>2,452,705</u>
	<u>238,117</u>	<u>2,702,507</u>

During the reporting period, the Company received £82,083 (2021 - £1,747,705) was received in relation to the Covid-19 Job Retention Scheme. Additionally, the Company received £nil (2021 - £705,000) in Retail, Hospitality and Leisure Grant Funding, which was set up to support businesses operating in these sectors during the Covid-19 pandemic.

**4. EMPLOYEES AND DIRECTORS**

	2022	2021
	£	£
Wages and salaries	27,856,269	24,008,131
Social security costs	2,209,270	1,500,157
Other pension costs	<u>614,490</u>	<u>560,425</u>
	<u>30,680,029</u>	<u>26,068,713</u>

The average number of employees during the year was as follows:

	2022	2021
Production, sales and distribution	1,764	1,598
Administration	<u>69</u>	<u>26</u>
	<u>1,833</u>	<u>1,624</u>

	2022	2021
	£	£
Directors' remuneration	300,573	860,668
Directors' pension contributions to money purchase schemes	<u>17,930</u>	<u>60,460</u>

The number of Directors to whom retirement benefits were accruing was as follows:

	2022	2021
Money purchase schemes	<u>3</u>	<u>6</u>

Information regarding the highest paid Director is as follows:

	2022	2021
	£	£
Emoluments etc	145,615	261,211
Pension contributions to money purchase schemes	<u>10,167</u>	<u>10,750</u>

Directors' remuneration as above includes the total of non-cash benefits.

Other Directors are remunerated by the ultimate parent Company and details of their remuneration are disclosed in these financial statements. It is not considered practicable to apportion their remuneration across the individual group companies these Directors serve.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2022

## 5. OPERATING (LOSS)/PROFIT

The operating loss (2021 - operating profit) is stated after charging:

	2022	2021
	£	£
Hire of plant and machinery	527,199	387,918
Other operating leases	3,784,494	3,075,704
Depreciation - owned assets	2,543,378	2,404,222
Loss on disposal of fixed assets	140,085	1,486
Auditors' remuneration	49,750	32,000
Taxation compliance services	-	4,350
Other non-audit services	27,256	15,270
Impairment of fixed assets	<u>277,637</u>	<u>-</u>

## 6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank interest	<u>-</u>	<u>4,190</u>

## 7. TAXATION

## Analysis of the tax charge

The tax charge on the loss for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	(215,807)	173,312
Overprovision in prior year tax charge	<u>(7,455)</u>	<u>7,812</u>
Total current tax	(223,262)	181,124
Deferred tax	<u>292,000</u>	<u>73,222</u>
Tax on (loss)/profit	<u>68,738</u>	<u>254,346</u>

## Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£	£
(Loss)/profit before tax	<u>(770,726)</u>	<u>1,351,034</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(146,438)	256,696
Effects of:		
Adjustments to tax charge in respect of previous periods	7,455	7,812
Permanent timing differences	(45,653)	(141,809)
Depreciation on non qualifying assets	134,454	131,647
Difference in deferred tax rate	<u>118,920</u>	<u>-</u>
Total tax charge	<u>68,738</u>	<u>254,346</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2022

## 8. DIVIDENDS

	2022 £	2021 £
Ordinary "A" Shares of £1 each		
Interim	-	787,150

## 9. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings £	Short leasehold land and buildings £	Fixtures, fittings and equipment £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 April 2021	7,487,947	508,323	29,740,463	2,102,404	39,839,137
Additions	6,135	38,025	2,902,451	-	2,946,611
Disposals	-	(16,533)	(329,112)	(166,708)	(512,353)
At 31 March 2022	7,494,082	529,815	32,313,802	1,935,696	42,273,395
<b>DEPRECIATION</b>					
At 1 April 2021	903,635	380,872	22,708,547	1,665,753	25,658,807
Charge for year	69,259	51,130	2,208,138	214,851	2,543,378
Eliminated on disposal	-	(15,777)	(160,179)	(141,963)	(317,919)
Impairments	-	-	277,637	-	277,637
At 31 March 2022	972,894	416,225	25,034,143	1,738,641	28,161,903
<b>NET BOOK VALUE</b>					
At 31 March 2022	6,521,188	113,590	7,279,659	197,055	14,111,492
At 31 March 2021	6,584,312	127,451	7,031,916	436,651	14,180,330

## 10. INVENTORIES

	2022 £	2021 £
Raw materials and consumables	1,345,358	1,142,486
Finished goods and goods for resale	700,295	460,301
	2,045,653	1,602,787

## 11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	229,890	83,326
Amounts owed by group undertakings	500,000	-
Other debtors	35,164	131,321
Corporation tax	280,807	118,151
VAT	334,840	493,877
Prepayments and accrued income	1,364,540	1,118,429
	2,745,241	1,945,104

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2022

## 12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2022 £	2021 £
8,650	£1 Ordinary "A" Shares	£1	8,650	8,650
249	£1 Ordinary "B" Shares	£1	<u>249</u>	<u>249</u>
			<u>8,899</u>	<u>8,899</u>

Ordinary "A" Shares carry voting rights and are eligible for full dividends at a level determined by the Directors and approved by the members, but only after dividends have been paid on issued preference shares. They will be repaid in any distribution including on winding up after the preference shares but shall be entitled to receive any surplus remaining after repayment. They are not redeemable.

Ordinary "B" Shares carry no voting rights. They are eligible for full dividends at a level determined by the Directors and approved by the members, but only after dividends have been paid on issued preference shares. They will be repaid in any distribution including on winding up after the preference shares and Ordinary "A" Shares and are not entitled to receive any surplus remaining after repayment. They are not redeemable.

## 13. RESERVES

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 April 2021	14,159,511	1,875	14,161,386
Deficit for the year	<u>(839,464)</u>		<u>(839,464)</u>
At 31 March 2022	<u>13,320,047</u>	<u>1,875</u>	<u>13,321,922</u>

**Retained earnings**

Retained earnings represents cumulative profits and losses net of dividends and other adjustments.

**Capital redemption reserve**

The capital redemption reserve arises on the redemption or purchase of Company shares. Distributions from this reserve are not permitted by Company law as the balance does not represent a realised profit.

## 14. PROVISIONS FOR LIABILITIES

	2022 £	2021 £
Deferred tax		
Accelerated capital allowances	508,776	210,431
Short term timing differences	<u>(13,280)</u>	<u>(6,935)</u>
	<u>495,496</u>	<u>203,496</u>
		Deferred tax £
Balance at 1 April 2021		203,496
Accelerated capital allowances		298,345
Short term timing differences		<u>(6,345)</u>
Balance at 31 March 2022		<u>495,496</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2022

## 15. CREDITORS

	2022 £	2021 £
Amounts falling due within one year:		
Trade creditors	3,823,234	3,747,956
Amounts owed to group undertakings	838,619	3,221,797
Social security and other taxes	460,790	418,692
Other creditors	122,693	128,867
Accruals and deferred income	<u>1,602,787</u>	<u>1,214,910</u>
	<u>6,848,123</u>	<u>8,732,222</u>
Amounts falling due after more than one year:		
Accruals and deferred income	<u>320,676</u>	<u>310,802</u>
Aggregate amounts	<u>7,168,799</u>	<u>9,043,024</u>

## 16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022 £	2021 £
Within one year	3,950,542	3,981,095
Between one and five years	7,188,456	7,515,609
In more than five years	<u>579,817</u>	<u>1,081,600</u>
	<u>11,718,815</u>	<u>12,578,304</u>

Minimum lease revenue falls due as follows:

Non-cancellable operating lease revenue arising from letting of property:

	2022 £	2021 £
Within one year	72,397	78,231
Between one and five years	66,889	80,000
In more than five years	<u>33,917</u>	<u>44,917</u>
	<u>173,203</u>	<u>203,148</u>

## 17. PENSION COMMITMENTS

The Company operates defined contribution plans for employees. The assets of the schemes are held separately from those of the Company. Pension scheme contributions for the period amounted to £614,491 (2021 - £560,425). Outstanding amounts payable to the schemes at the year end were £96,334 (2021 - £76,692).

## 18. CAPITAL COMMITMENTS

	2022 £	2021 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>10,540</u>

## 19. OTHER FINANCIAL COMMITMENTS

In accordance with normal supply arrangements, the Company has contracts in place committing them to purchase minimum quantities from certain suppliers. The value of these contracts at the balance date was £1,360,821 (2021 - £2,186,509).

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2022

## 20. RELATED PARTY DISCLOSURES

The Company is a wholly owned subsidiary of EG Group Holdings Limited. The Company has taken advantage of the exemption in FRS 102 Section 33.1A from disclosing transactions with members of the group.

**Entities with control, joint control or significant influence over the entity**

	2022	2021
	£	£
Management fees paid to entities	-	36,750
Amount due from related party	-	16,609

**Entities in which a person with control of the Company has significant influence**

	2022	2021
	£	£
Rents paid to entities	310,240	340,370
Amount due from related party	-	20,138

The Company leased 25 (2021 - 25) properties and rents are charged at market rates. During the previous year a six month rent free period was granted on 22 of these properties due to the pandemic.

## 21. ULTIMATE PARENT AND CONTROLLING PARTY

The immediate parent undertaking is CS Food Group Limited, a Company incorporated in Great Britain, registered at Cooplands Bakery Caxton Way, Eastfield, Scarborough, North Yorkshire, YO11 3YT. The Company has an intermediary controlling party, EG Group Limited, by virtue of its ownership of the share capital of the Company's intermediate holding companies.

In the opinion of the Directors, the Company's ultimate parent Company and ultimate controlling party is Optima Bidco (Jersey) Limited, a Company incorporated and registered in Jersey, Channel Islands.

The parent undertaking of the largest group, which includes the Company and for which group accounts are prepared, is EG Group Holdings Limited, a Company incorporated in Great Britain, registered at Waterside Head Office, Haslingden Road, Guide, Blackburn, BB1 2FA, United Kingdom.

The parent undertaking of the smallest such group is EG Group Limited, a Company incorporated in Great Britain, registered at Waterside Head Office, Haslingden Road, Guide, Blackburn, BB1 2FA, United Kingdom.

Copies of the group financial statements of EG Group Holdings Limited and EG Group Limited are available from Companies House, Crown Way, Maundy, Cardiff, CF14 3UZ. The Company's immediate controlling party is EG Group Limited.