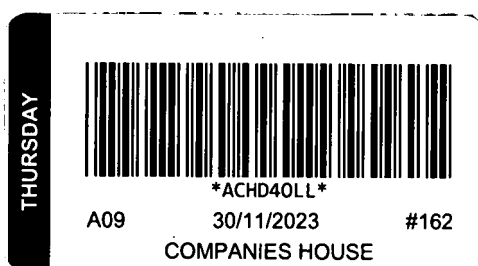


REGISTERED NUMBER: 00465947 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE PERIOD 1 APRIL 2022 TO 31 DECEMBER 2022
FOR
COOPLAND & SON (SCARBOROUGH) LIMITED**



CONTENTS OF THE FINANCIAL STATEMENTS
for the period 1 April 2022 to 31 December 2022

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COOPLAND & SON (SCARBOROUGH) LIMITED

COMPANY INFORMATION

for the period 1 April 2022 to 31 December 2022

DIRECTORS:

Z Issa
M Issa

REGISTERED OFFICE:

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

REGISTERED NUMBER:

00465947 (England and Wales)

STRATEGIC REPORT

for the period 1 April 2022 to 31 December 2022

The Directors present their strategic report for the period 1 April 2022 to 31 December 2022.

REVIEW OF BUSINESS

The results presented are for the 39 weeks to 31 December 2022 (Year ended 31.3.22 - 52 weeks to 2 April 2022).

Despite growth in sales the Company has experienced a challenging period with increases in the cost of raw materials having a significant impact on margins. Following the decision in 2021 to pay above minimum rate for wages the company continues to feel the pressure of increased labour costs across its estate. The overall performance of the business for the reported period is a loss of £9.8m (Year ended 31.3.22 - £1m)

In 2022 the Company took the decision to close its Hull bakery and to absorb its production into the remaining bakery facilities. The expected benefit of this will be reductions in overhead costs and greater synergies through production. The closure of this bakery was completed in July 2023.

Going forward, the outlook for the economy remains uncertain. Like many businesses in our sector which have been impacted by raw material inflation our margins will likely continue to be challenged, with inflation also continuing to place consumer incomes under pressure. The Company continues 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 the procurement strategy, complemented by further investment in our procurement team. The Company continues to explore opportunities to leverage the economies of scale gained through the wider group.

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, including through formal consultation when relevant. 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.

STREAMLINED ENERGY AND CARBON REPORTING

The Company's environmental impact is managed at group level. The Group is committed to being environmentally responsible and aims to positively manage its impact on the environment. Greenhouse gas emissions, and other required SECR matters, are disclosed as part of the Group's SECR reporting in the Parent Company's 2022 Annual Report. For further details, see pages 36 - 43 of the EG Group Limited Annual Report.

STRATEGIC REPORT

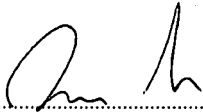
for the period 1 April 2022 to 31 December 2022

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:



.....
Z Issa - Director

Date: Friday 24 November 2023.

REPORT OF THE DIRECTORS

for the period 1 April 2022 to 31 December 2022

The Directors present their report with the financial statements of the company for the period 1 April 2022 to 31 December 2022.

PRINCIPAL ACTIVITIES

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

DIVIDENDS

No dividends will be distributed for the period ended 31 December 2022.

DIRECTORS

The Directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

Z Issa

M Issa

GOING CONCERN

The financial statements have been prepared on the going concern basis. The company operates through a portfolio of nearly 160 retail outlets and continues to look to leverage the strengths of the parent group, EG Group Holdings Limited, in order to diversify its brand into the petrol forecourt and convenience store channels. 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 and the funding requirements of the company during the going concern assessment period to November 2024 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.

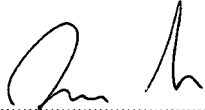
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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 period 1 April 2022 to 31 December 2022

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:



.....
Z Issa - Director

Date: Friday 24 November 2023

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

Opinion

We have audited the financial statements of Coopland & Son (Scarborough) Limited (the 'company') for the period ended 31 December 2022 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, 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 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 Auditors' 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 for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

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 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 the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 the Report of the Directors.

We have nothing to report in respect of the following matters where 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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine 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, including relevant Food Standards regulations.

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. This description forms part of our Report of the Auditors.

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

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.



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:

27 November 2023

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

INCOME STATEMENT

for the period 1 April 2022 to 31 December 2022

	Notes	Period 1.4.22 to 31.12.22 £	£	Year Ended 31.3.22 £	£
REVENUE			56,151,503		68,112,442
Cost of sales			<u>26,944,984</u>		<u>25,563,625</u>
GROSS PROFIT			29,206,519		42,548,817
Distribution costs		20,281,293		24,181,557	
Administrative expenses		<u>17,168,912</u>		<u>19,379,286</u>	
			<u>37,450,205</u>		<u>43,560,843</u>
			(8,243,686)		(1,012,026)
Other operating income	3		<u>283,265</u>		<u>238,117</u>
OPERATING LOSS	5		(7,960,421)		(773,909)
Exceptional items	6		<u>1,907,661</u>		-
			(9,868,082)		(773,909)
Interest receivable and similar income			-		<u>3,183</u>
			(9,868,082)		(770,726)
Interest payable and similar expenses	7		<u>177,270</u>		-
LOSS BEFORE TAXATION			(10,045,352)		(770,726)
Tax on loss	8		<u>(221,167)</u>		<u>68,738</u>
LOSS FOR THE FINANCIAL PERIOD			<u>(9,824,185)</u>		<u>(839,464)</u>

The notes form part of these financial statements

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

OTHER COMPREHENSIVE INCOME
for the period 1 April 2022 to 31 December 2022

	Notes	Period 1.4.22 to 31.12.22 £	Year Ended 31.3.22 £
LOSS FOR THE PERIOD		(9,824,185)	(839,464)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>(9,824,185)</u>	<u>(839,464)</u>

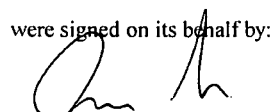
The notes form part of these financial statements

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

STATEMENT OF FINANCIAL POSITION
31 December 2022

	Notes	31.12.22 £	£	31.3.22 £	£
ASSETS					
FIXED ASSETS					
Property, plant and equipment	9		11,159,679		14,111,492
CURRENT ASSETS					
Inventories	10	2,339,614		2,045,653	
Debtors	11	2,130,273		2,745,241	
Cash at bank and in hand		<u>2,627,576</u>		<u>2,092,730</u>	
			<u>7,097,463</u>		<u>6,883,624</u>
			<u>18,257,142</u>		<u>20,995,116</u>
CAPITAL, RESERVES AND LIABILITIES					
CAPITAL AND RESERVES					
Called up share capital	12	8,899		8,899	
Capital redemption reserve	13	1,875		1,875	
Retained earnings	13	<u>3,495,862</u>		<u>13,320,047</u>	
SHAREHOLDERS' FUNDS			3,506,636		13,330,821
PROVISIONS FOR LIABILITIES	14		329,212		495,496
CREDITORS	15		<u>14,421,294</u>		<u>7,168,799</u>
			<u>18,257,142</u>		<u>20,995,116</u>

The financial statements were approved by the Board of Directors and authorised for issue on Friday 24 November 2023 and were signed on its behalf by:



.....
Z Issa - Director

STATEMENT OF CHANGES IN EQUITY
for the period 1 April 2022 to 31 December 2022

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 April 2021	8,899	14,159,511	1,875	14,170,285
Changes in equity				
Total comprehensive income	-	(839,464)	-	(839,464)
Balance at 31 March 2022	<u>8,899</u>	<u>13,320,047</u>	<u>1,875</u>	<u>13,330,821</u>
Changes in equity				
Total comprehensive income	-	(9,824,185)	-	(9,824,185)
Balance at 31 December 2022	<u>8,899</u>	<u>3,495,862</u>	<u>1,875</u>	<u>3,506,636</u>

NOTES TO THE FINANCIAL STATEMENTS
for the period 1 April 2022 to 31 December 2022

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 160 retail outlets and continues to look to leverage the strengths of the parent group, EG Group Holdings Limited, in order to diversify its brand into the petrol forecourt and convenience store channels. 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 and the funding requirements of the company during the going concern assessment period to November 2024 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 period 1 April 2022 to 31 December 2022

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 period ended 31 December 2022 are based on the 39 weeks to Saturday 31 December 2022 (Year ended 31.3.22 - 52 weeks to Saturday 2 April 2022).

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 April 2022 to 31 December 2022

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the period 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 period 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. Subsequently, in June 2022 the IFRS IC voted to finalise the agenda decision and not to recommend that the IASB undertake standard-setting in this area. However, the IFRS IC acknowledged and reported back some practical concerns with that approach to the IASB accompanying its technical analysis. In light of this at its September 2022 meeting, the IASB decided to explore narrow-scope standard-setting instead of approving the agenda decision. As the IASB have not yet concluded on this matter the company continues to treat amounts received via credit or debit card as cash at the point the transaction is enacted in store and the goods are sold to the customer (rather than initially recognising them as amounts due from customers).

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 April 2022 to 31 December 2022

3. OTHER OPERATING INCOME

	Period 1.4.22 to 31.12.22 £	Year Ended 31.3.22 £
Rental receipts	149,570	156,034
RDEC claim	133,695	-
Government grants	-	82,083
	<u>283,265</u>	<u>238,117</u>

During the reporting period, the company received £nil (Year ended 31.3.22 - £82,083) in relation to the Covid-19 Job Retention Scheme.

4. EMPLOYEES AND DIRECTORS

	Period 1.4.22 to 31.12.22 £	Year Ended 31.3.22 £
Wages and salaries	24,807,978	27,856,269
Social security costs	1,705,071	2,209,270
Other pension costs	330,077	614,490
	<u>26,843,126</u>	<u>30,680,029</u>

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

	Period 1.4.22 to 31.12.22	Year Ended 31.3.22
Production, sales and distribution	1,880	1,764
Administration	120	69
	<u>2,000</u>	<u>1,833</u>

	Period 1.4.22 to 31.12.22 £	Year Ended 31.3.22 £
Directors' remuneration	-	300,573
Directors' pension contributions to money purchase schemes	-	17,930

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

Money purchase schemes	-	3
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Directors' remuneration as above includes the total of non-cash benefits.

Current 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 period 1 April 2022 to 31 December 2022

5. OPERATING LOSS

The operating loss is stated after charging:

	Period 1.4.22 to 31.12.22 £	Year Ended 31.3.22 £
Hire of plant and machinery	300,670	527,199
Other operating leases	2,963,430	3,784,494
Depreciation - owned assets	1,794,986	2,543,378
Loss on disposal of fixed assets	89,210	140,085
Auditors' remuneration	67,500	49,750
Taxation compliance services	5,000	-
Other non-audit services	8,496	27,256
Impairment of fixed assets	<u>1,133,593</u>	<u>277,637</u>

6. EXCEPTIONAL ITEMS

	Period 1.4.22 to 31.12.22 £	Year Ended 31.3.22 £
Impairment losses - tangible fixed assets	<u>(1,907,661)</u>	<u>-</u>

In December 2022 management took the decision to close the Hull bakery. As part of this process a fair value assessment of the assets at site was performed, the outcome of which was an impairment of the land and PPE of £1.9m. This has been reflected within our exceptional items in 2022. The bakery closure was completed in July 2023.

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 1.4.22 to 31.12.22 £	Year Ended 31.3.22 £
Bank interest	<u>177,270</u>	<u>-</u>

8. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss for the period was as follows:

	Period 1.4.22 to 31.12.22 £	Year Ended 31.3.22 £
Current tax:		
UK corporation tax	-	(215,807)
Overprovision in prior year tax charge	<u>(54,883)</u>	<u>(7,455)</u>
Total current tax	(54,883)	(223,262)
Deferred tax	<u>(166,284)</u>	<u>292,000</u>
Tax on loss	<u>(221,167)</u>	<u>68,738</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 April 2022 to 31 December 2022

8. TAXATION - continued

Reconciliation of total tax (credit)/charge included in profit and loss

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

	Period 1.4.22 to 31.12.22 £	Year Ended 31.3.22 £
Loss before tax	<u>(10,045,352)</u>	<u>(770,726)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (31.3.22 - 19%)	(1,908,617)	(146,438)
Effects of:		
Adjustments to tax charge in respect of previous periods	(82,935)	7,455
Permanent timing differences	1,681,119	(45,653)
Depreciation on non qualifying assets	129,174	134,454
Difference in deferred tax rate	<u>(39,908)</u>	<u>118,920</u>
Total tax (credit)/charge	<u>(221,167)</u>	<u>68,738</u>

9. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings £	Short leasehold land and buildings £	Fixtures, fittings and equipment £	Motor vehicles £	Totals £
COST					
At 1 April 2022	7,494,082	529,815	32,313,802	1,935,696	42,273,395
Additions	-	5,720	1,790,361	215,121	2,011,202
Disposals	-	(3,887)	(803,531)	(71,883)	(879,301)
Impairments	<u>(1,670,661)</u>	<u>-</u>	<u>(1,370,593)</u>	<u>-</u>	<u>(3,041,254)</u>
At 31 December 2022	<u>5,823,421</u>	<u>531,648</u>	<u>31,930,039</u>	<u>2,078,934</u>	<u>40,364,042</u>
DEPRECIATION					
At 1 April 2022	972,894	416,225	25,034,143	1,738,641	28,161,903
Charge for period	51,941	33,552	1,600,522	108,971	1,794,986
Eliminated on disposal	<u>-</u>	<u>(2,969)</u>	<u>(679,606)</u>	<u>(69,951)</u>	<u>(752,526)</u>
At 31 December 2022	<u>1,024,835</u>	<u>446,808</u>	<u>25,955,059</u>	<u>1,777,661</u>	<u>29,204,363</u>
NET BOOK VALUE					
At 31 December 2022	<u>4,798,586</u>	<u>84,840</u>	<u>5,974,980</u>	<u>301,273</u>	<u>11,159,679</u>
At 31 March 2022	<u>6,521,188</u>	<u>113,590</u>	<u>7,279,659</u>	<u>197,055</u>	<u>14,111,492</u>

10. INVENTORIES

	31.12.22 £	31.3.22 £
Raw materials and consumables	1,816,683	1,345,358
Finished goods and goods for resale	<u>522,931</u>	<u>700,295</u>
	<u>2,339,614</u>	<u>2,045,653</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 April 2022 to 31 December 2022

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.3.22
	£	£
Trade debtors	354,500	229,890
Amounts owed by group undertakings	-	500,000
Other debtors	140,280	35,164
Corporation tax	469,385	280,807
VAT	87,069	334,840
Prepayments and accrued income	<u>1,079,039</u>	<u>1,364,540</u>
	<u>2,130,273</u>	<u>2,745,241</u>

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.22	31.3.22
			£	£
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 2022	13,320,047	1,875	13,321,922
Deficit for the period	<u>(9,824,185)</u>		<u>(9,824,185)</u>
At 31 December 2022	<u>3,495,862</u>	<u>1,875</u>	<u>3,497,737</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

	31.12.22	31.3.22
	£	£
Deferred tax		
Accelerated capital allowances	329,212	508,776
Short term timing differences	<u>-</u>	<u>(13,280)</u>
	<u>329,212</u>	<u>495,496</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 April 2022 to 31 December 2022

14. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 April 2022	495,496
Accelerated capital allowances	(179,564)
Short term timing differences	<u>13,280</u>
Balance at 31 December 2022	<u>329,212</u>

15. CREDITORS

	31.12.22 £	31.3.22 £
Amounts falling due within one year:		
Trade creditors	3,587,921	3,823,234
Amounts owed to group undertakings	5,532,263	838,619
Social security and other taxes	-	460,790
Other creditors	154,351	122,693
Accruals and deferred income	<u>4,861,224</u>	<u>1,602,787</u>
	<u>14,135,759</u>	<u>6,848,123</u>
Amounts falling due after more than one year:		
Accruals and deferred income	<u>285,535</u>	<u>320,676</u>
Aggregate amounts	<u>14,421,294</u>	<u>7,168,799</u>

16. LEASING AGREEMENTS

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

	31.12.22 £	31.3.22 £
Within one year	3,154,612	3,950,542
Between one and five years	6,568,421	7,188,456
In more than five years	<u>1,045,575</u>	<u>579,817</u>
	<u>10,768,608</u>	<u>11,718,815</u>

Minimum lease revenue falls due as follows:

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

	31.12.22 £	31.3.22 £
Within one year	49,397	72,397
Between one and five years	60,223	66,889
In more than five years	<u>25,667</u>	<u>33,917</u>
	<u>135,287</u>	<u>173,203</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 £330,077 (Year ended 31.3.22 - £614,491). Outstanding amounts payable to the schemes at the year end were £165,357 (31.3.22 - £96,334).

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 April 2022 to 31 December 2022

18. 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 £2,123,392 (31.3.22 - £1,360,821).

19. 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 in which a person with control of the company has significant influence

	31.12.22	31.3.22
	£	£
Rents paid to entities	<u>-</u>	<u>310,240</u>

During the previous period the company leased 25 properties with rents charged at market rates from former connected parties until the takeover by EG Group when the parties were no longer connected.

20. ULTIMATE PARENT AND CONTROLLING PARTY

The immediate parent undertaking is CS Food Group Limited, a company incorporated in Great Britain, registered at Copplands Bakery Caxton Way, Eastfield, Scarborough, North Yorkshire, YO11 3YT.

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.

21. CHANGE OF ACCOUNTING REFERENCE DATE

The accounts have been prepared for a nine month period to 31 December 2022 following a change in the accounting reference date to align with EG Group Holdings Limited, the company's new ultimate parent company.