Registered number: 01008747

PUKKA PIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 27 MAY 2023

PUKKA PIES LIMITED

COMPANY INFORMATION

Directors	A J Storer T D Storer V C Storer (resigned 21 September 2023)
Company secretary	A J Storer
Registered number	01008747
Registered office	The Halfcroft Syston Leicester LE7 1LD
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Victoria House 199 Avebury Boulevard Milton Keynes MK9 1AU

PUKKA PIES LIMITED

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STRATEGIC REPORT
FOR THE PERIOD ENDED 27 MAY 2023

Introduction

The directors present their strategic report for the period from 29 May 2022 to 27 May 2023.

Principal activity

The principal activity of the company is the manufacture of high quality savoury pastry products. There has been no change of activities during the period.

Fair review of the business

The directors are satisfied with performance over the last twelve months, given the demanding and volatile nature of the current market. The company's focus remains to meet all of the requirements of the customer base by delivering a superior quality product; offering excellent value for money; with best-in industry service levels.

Turnover increased to £79.1m from £64.5m over the last period, as a result of new product launches, new customers, improved distribution in existing customers and retail category growth.

Operating profit for the period was £6.8m, which was £2.4m higher than last period. The increased profitability is driven by improved sales volumes due to NPD and distribution gains.

Over the course of the financial period the company has seen significant commodity inflation. This has been mitigated through working closely with our customers along with further improvement in production efficiency.

The company is in the middle of a multi-year capex investment program, with the objective of continual improvement in production efficiency and maintaining our market leading facilities. Tangible capital expenditure was £2.5m for the period *(vs £4.0m in 2022).*

Principal risks and uncertainties

Commodity Inflation
The single biggest risk facing the business has been the sustained turbulence seen in commodity markets. The company continues to monitor the markets closely, and strategically takes every opportunity to de-risk its procurement requirements.

Food Safety
The directors, management and all employees make food safety their highest priority. The company operates from state-of-the-art premises and maintains grade A accreditation to the BRC Global Standard for Food Safety. This includes the operation of a robust HACCP system across all product lines. The onsite microbiological laboratory is also independently accredited by CLAS.

Key performance indicators

The Key Performance Indicators ("KPI's") for the company as disclosed in the profit and loss account on page 14.

	2023	*2022*
Gross profit	**32.4m**	*25.1m*
EBITDA	**9.2m**	*6.6m*
Profit before tax	**6.8m**	*4.4m*
ROCE	**14%**	*10%*
Staff turnover	**1.80%**	*1.60%*

The financial KPIs are line with management expectations following the successful launch of new product ranges over the last 12 months. The P&L continued to be detrimentally impacted by cost inflation during the year. Top line volume growth allowed gross profit to increase by £7.3m when compared to 2022. The EBITDA improvement was £2.6m versus 2022.

Going concern

In preparing these financial statements, the directors have assessed the ability of the company to continue to operate for a period of at least twelve months from the date of signing the financial statements.

In assessing the appropriateness of the going concern assumption, the directors have reviewed detailed profit and loss forecasts, considering all reasonably foreseeable potential scenarios and uncertainties in relation to revenue and expenditure, including the cash position of the business, for a period of at least 12 months from the date of signing the financial statements. undertaken a risk assessment and forecasting exercise to assess the company's liquidity position.

For the purposes of the going concern assessment, the directors have performed sensitivity analysis to assess the impact of adverse scenarios on cashflows. In addition, reverse stress testing has been performed to establish the levels of performance where cash availability would be breached. The results of the analysis demonstrated that there was sufficient cash availability within the company to deal with all of the identified plausible scenarios.

Based on current trading performance and the sensitivity and reverse stress testing scenarios performed, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of no less than twelve months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Section 172(1) statement

Our five-year strategy drives the success of the company and contributes to delivering both high-quality products, innovation and services to our customers and consumers to 2025 and beyond. We will continue to operate our business efficiently and in line with our regulatory duties.

Our employees are fundamental to the delivery of our strategy, with their safety, health and well-being as one of our primary considerations in the way we do business. We aim to be a responsible employer in our approach to pay and benefits.

Our duty is to provide a quality product which meets and exceeds our customers' and consumers expectations. Our strategy was informed by engagement with customers, consumers and market research, enabling us to gain an understanding of their views and priorities. We aim to act responsibly and fairly in how we engage with our suppliers who are integral to the successful delivery of our plan.

Our strategy considers the impact of the company's operations on the local community and environment and our wider social responsibilities.

Our marketing campaigns have been developed to maintain our market leading position. Who we are and how we act externally with our customers and consumers is what makes us 'Pukka for the People' – the nations favourite pie brand.

The directors' intention is to behave responsibly and ensure the Senior Leadership Team also consistently operate the business in an ethical manner. We aim to maintain high levels of corporate governance and firmly believe our ESG strategy is entirely aligned with the overall delivery of our business strategy.

The directors' purpose is to behave responsibly toward our shareholders and treat them fairly so they too may benefit from the successful delivery of our strategy.

The directors of Pukka Pies Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172 (1) (a-f) of the Companies Act 2006) in the decisions taken during the year ended 29 May 2021. In particular, by reference to the continued implementation of our five year strategy covering the period to 2027.

Engagement with employees

We recognise that our employees are key to the success of our business and engaging with them is of critical importance in maintaining strong business delivery in times of change. We strive to maintain strong communication between all levels of our employees. We have an open-door policy with our directors and both the Senior Leadership Team and management regularly engage with the employees through a range of formal and informal channels, including employee forums, regular company briefs and senior management and director walk arounds.

The directors consider effective engagement a key element of its understanding of the company's ability to create value as it recognises that our people are our greatest asset. Employee views can help inform the Board on matters such as operational effectiveness, culture, risk identification and strategy development and delivery.

The Board considers the current employee engagement approach to be effective.

Engagement with suppliers, customers and other relationships

Delivering our strategy requires strong mutually beneficial relationships with both our suppliers and customers.

Pukka Pies Limited seeks to promote the high level of and application of certain general principles in such relationships, and these shared beliefs help to underpin the relationship.

The ability to promote these principles effectively is an important factor in the decision to enter into or remain in such relationships.

Approved and authorised by the Board on 6 November 2023 and signed on its behalf by:

A J Storer
Company secretary

DIRECTORS' REPORT
FOR THE PERIOD ENDED 27 MAY 2023

The directors present their report and the financial statements for the 52 week period ended 27 May 2023. The comparative information is for the 52 week period ended 28 May 2022.

Results and dividends

The profit for the period, after taxation, amounted to £5,116,723 *(2022: £3,515,960)*.

A dividend of £2,000,000 was paid in the period *(2022: £2,000,000 declared and £2,000,000 paid)*.

Directors

The directors who held office during the period were as follows:

A J Storer
T D Storer
V C Storer (resigned 21 September 2023)

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and 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 UK 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.

Treasury and Financial Risk Management

The company's activities expose it to financial risks mainly categorised as commodity price volatility, credit, liquidity and foreign exchange risk.

Commodity volatility, price risk, credit risk, liquidity risk and cash flow risk

Commodity price volatility has been particularly problematic over the last 12 months. It is managed through entering fixed term contracts with trusted supply partners. The companies procurement strategy is to de-risk based upon projected volume requirements.

The directors consider credit risk to be relatively low, as the company's largest customers are blue chip retail companies. All new customers are credit checked with credit only awarded where considered appropriate. During the financial period the company has implemented a credit insurance policy to further mitigate any credit risk.

In respect of bank balances, the liquidity risk is managed by maintaining a healthy cash balance throughout the period.

Trade creditor liquidity risk is managed by ensuring sufficient funds are available to meet all amounts as they fall due for payment.

Foreign exchange risk is minimal, as most purchases are from UK companies. Any exposure is mitigated by seeking to fix the exchange risk through forward contracts.

Equal opportunity employment

Pukka Pies Limited is committed to equality of opportunity in all its employment practices, policies and procedures. This means that no employee, or potential employee, will receive less favourable treatment due to their gender, sexual orientation, marital status, race, disability, political or religious beliefs. The company maintains a company policy for ensuring employee involvement in matters of concern to them and providing employees with relevant information.

Environmental report

We have considered the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) when preparing this report. These recommendations encourage businesses to increase disclosure of climate-related information, with an emphasis on financial disclosure. Pukka Pies Limited supports these recommendations and are committed to disclosing the relevant information which can be found below.

Governance

Climate change and risks resulting from greenhouse gas emissions have been identified as a significant consideration for Pukka Pies Limited and are managed in accordance with the Board.

Strategy

Our strategy to assess and manage risks and opportunities resulting from climate change includes consideration of different time horizons and specific risks:

- commercial risk: the potential for structural shifts in demand profiles for our products;
- regulatory risks: the potential for strengthening of existing, and introduction of new, regulations;
- physical risk: the potential impact on our facilities and the community in which we operate to changing physical conditions; and
- societal risk: the potential for a deteriorating relationship with the public and other companies with which Pukka Pies Limited operates.

We categorise different time horizons and the relevance for the identification of risks and business planning:

- Short term (up to three years): detailed financial projections are developed and used to manage performance and expectations on a three-year cycle;
- Medium term (three to ten years): the majority of production and earnings would be expected to be generated in this period from our existing assets;
- Long term (over ten years); it is expected that Pukka Pies Limited will go through changes and evolution with the energy transition. Decision making and risk identification will be guided by the pace of progress of society and in step with society as it moves towards the goals of the Paris Agreement.

Emissions and energy consumption

The organisation has taken guidance from the UK Government Environmental Reporting Guidelines (March 2019), the GHG Reporting Protocol - Corporate Standard, and from the UK Government GHG Conversion Factors for Company Reporting document for calculating carbon emissions. Energy usage information (gas and electricity) has been obtained directly from our energy suppliers and HH/AMR data, where available. For suppliers where there wasn't complete twelve month energy usage available, flat profile estimation techniques were used to complete the annual consumption. Transport mileage and/or fuel usage data was provided for our company owned vehicles. CO2e emissions were calculated using the appropriate emissions factors from the UK Government GHG conversion information.

During the period to 27 May 2023, Pukka Pies Limited recorded greenhouse gas emissions from:

- Combustion of gas of 2,053.00 tonnes of CO2e per year *(2022: 2,016.00)*.
- Purchased electricity of 2,299.00 tonnes of CO2e per year *(2022: 2,404.00)*.
- Combustion of fuel for transport of 835.00 tonnes of CO2e per year *(2022: 728.00)*.
- Emissions from employee owned vehicles of 37.00 tonnes of CO2e per year *(2022: 24.00)*.

Summary of energy consumption for the period to 27 May 2023:

Description	**Unit of measurement**	**2023**	*2022*
Combustion of gas	Kwh	**11,407,310**	*10,958,763*
Combustion of fuel for transport	Kwh	**1,675,283**	*1,739,586*
Purchased electricity	Kwh	**10,310,641**	*10,309,800*
Emissions from employee owned vehicles	Kwh	**109,594**	*72,938*

Intensity ratio

Production tonnage
The tonnes of CO_2e produced per production tonnage. During the period to 27 May 2023 this was 0.22% *(2022: 0.22%)*.

During the period we continued our progress with achieving energy efficiencies with significant investment and improved working practices in the following areas:
- reducing the number of vehicles
- running full lines
- reducing the number of change overs
- installation of LED lighting on proximity sensors
- replacing single pane windows with double glazed windows
- replacing old boilers with new energy efficient gas boilers with economisers fitted
- replacing old vessels with fewer vessels of higher capacity with cooling by vacuum instead of chiller units.

Environmental matters

Pukka Pies Limited has for many years emphasised: waste reduction; energy efficiency; minimisation of packaging; recycling and emission control.

Social and community issues

Pukka Pies Limited's charity policy is to support local registered charities operating in the immediate vicinity of the business.

In particular, Pukka Pies support local young people in sport and outdoor healthy activities are areas of special emphasis.

During the period the company contributed £33,810 to charities *(2022: £30,691)*.

In addition to monetary donations the company has donated 208,512 pies, pasties and sausage rolls through the Fare Share network, The Bread and Butter Thing and Open Hands. Fare Share redistribute surplus food from the UK food industry to charities and community groups who otherwise would be buying this food. Open Hands provide assistance to the most vulnerable and disadvantaged in society by providing weekly hot meals to those in need in Leicester. The Bread and Butter Thing is a community-led charity based in the North of England with the purpose to reduce waste by identifying edible surplus food in the UK food sector and redistributing it.

Qualifying third party indemnity provisions

During the period and up to the date of this report, the company maintained liability insurance and third-party indemnification provisions for its directors through a company policy, under which the company has agreed to indemnify the directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of the company.

Future developments

The company continues to build brand awareness and the directors expect the business to grow over the coming years. This is supported by our planned continuation in investment in advertising and our media campaigns in 2022/23 building on our successful previous campaigns.

We are continuing to invest in our bakery during 2023/24, with an annual investment identified of circa £1.4m.

Post balance sheet events

On the 19th September 2023, the freehold land and buildings held by Pukka Pies Limited with a net book value of £14.625m as at 27 May 2023, were transferred to a group company, Pukka Pies Properties Limited. The consideration paid for the transfer of these properties was £14.625m.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved and authorised by the Board on 6 November 2023 and signed on its behalf by:

A J Storer
Company secretary

Grant Thornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PUKKA PIES LIMITED

Opinion

We have audited the financial statements of Pukka Pies Limited (the 'company') for the period from 29 May 2022 to 27 May 2023, which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the 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 27 May 2023 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as the cost of living crisis and the impact of the war in Ukraine, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period..

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 'Responsibilities of directors for the financial statements section of this report.

Other information

The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report and financial statements. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Grant Thornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PUKKA PIES LIMITED (CONTINUED)

Matter on which we are required to report under the Companies Act 2006

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 Directors' Report.

Matters on which we are required to report by exception

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and industry in which it operates through our general commercial and sector experience, discussions with management and review of board minutes. We determined that the following laws and regulations were most significant: FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 and the relevant tax compliance regulations in the UK. In addition, we concluded that there are certain laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements such as health and safety and employee matters.
- We enquired of management concerning the company's policies and procedures relating to:
    - the identification, evaluation and compliance with laws and regulations;
    - the detection and response to the risks of fraud; and
    - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management and those charged with governance, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
    - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
    - challenging assumptions and judgements made by management in its significant accounting estimates;
    - identifying and testing journal entries, in particular journal entries posted with unusual account combinations that increased revenues or that reduced costs in the Statement of comprehensive income; and
    - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the Annual Report and financial statements with applicable financial reporting requirements.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team including consideration of the engagement team's:
  - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the industry in which the client operates; and
  - understanding of the legal and regulatory requirements specific to the entity including, the provisions of the applicable legislation and the applicable statutory provision.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members. We remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 Auditor's Report.

Use of our report

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

Grant Thornton UK LLP

Abigail Towers
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes

6 November 2023

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 27 MAY 2023

	Note	Period ended 27 May 2023 £	*As restated Period ended 28 May 2022 £*
Turnover	4	**79,123,361**	*64,518,574*
Cost of sales		**(46,684,585)**	*(39,400,842)*
Gross profit		**32,438,776**	*25,117,732*
Distribution costs		**(2,659,090)**	*(2,285,973)*
Administrative expenses		**(23,099,881)**	*(18,546,306)*
Other operating income	5	**133,692**	*127,850*
Operating profit	6	**6,813,497**	*4,413,303*
Other interest receivable and similar income	7	**134,251**	*4,013*
Interest payable and similar expenses	8	**(169,000)**	*(62,000)*
Profit before tax		**6,778,748**	*4,355,316*
Tax on profit	12	**(1,662,025)**	*(839,356)*
Profit for the financial period		**5,116,723**	*3,515,960*

The above results were derived from continuing operations.

The notes on pages 21 to 44 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 27 MAY 2023

	Period ended 27 May 2023 £	*Period ended 28 May 2022 £*
Profit for the period	**5,116,723**	*3,515,960*
Surplus on property, plant and equipment revaluation	**-**	*1,416,601*
Remeasurement gain on defined benefit pension scheme	**1,927,000**	*5,404,000*
Income tax effect on other comprehensive income	**(568,363)**	*(990,090)*
	1,358,637	*5,830,511*
Total comprehensive income for the period	**6,475,360**	*9,346,471*

The notes on pages 21 to 44 form part of these financial statements.

BALANCE SHEET
AS AT 27 MAY 2023

	Note		27 May 2023 £		*As restated 28 May 2022 £*
Fixed assets					
Tangible assets	14		**26,400,418**		*26,348,437*
			26,400,418		*26,348,437*
Current assets					
Stocks	15	**5,934,315**		*7,128,199*	
Debtors: amounts falling due within one year	16	**11,614,331**		*9,991,867*	
Cash at bank and in hand	17	**12,420,433**		*10,384,365*	
		29,969,079		*27,504,431*	
Creditors: amounts falling due within one year	18	**(7,421,116)**		*(8,603,081)*	
Net current assets			**22,547,963**		*18,901,350*
Total assets less current liabilities			**48,948,381**		*45,249,787*
Provisions for liabilities					
Deferred tax	13	**(2,367,020)**		*(1,308,786)*	
			(2,367,020)		*(1,308,786)*
Pension asset			**4,098,000**		*2,263,000*
Net assets			**50,679,361**		*46,204,001*
Capital and reserves					
Called up share capital	19		**50,000**		*50,000*
Revaluation reserve	20		**4,831,997**		*4,831,997*
Profit and loss account	20		**45,797,364**		*41,322,004*
			50,679,361		*46,204,001*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 November 2023.

T D Storer
Director

The notes on pages 21 to 44 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 27 MAY 2023

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 29 May 2022	50,000	4,831,997	41,322,004	46,204,001
Profit for the period	-	-	5,116,723	5,116,723
Remeasurement gain on defined benefit pension scheme	-	-	1,927,000	1,927,000
Income tax effect on other comprehensive income	-	-	(568,363)	(568,363)
Total comprehensive income	-	-	6,475,360	6,475,360
Dividends	-	-	(2,000,000)	(2,000,000)
At 27 May 2023	50,000	4,831,997	45,797,364	50,679,361

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 MAY 2022

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 30 May 2021	50,000	3,415,396	37,392,134	40,857,530
Profit for the period	-	-	3,515,960	3,515,960
Remeasurement gain on defined benefit pension scheme	-	-	5,404,000	5,404,000
Surplus on property, plant and equipment revaluation	-	1,416,601	-	1,416,601
Income tax effect on other comprehensive income	-	-	(990,090)	(990,090)
Total comprehensive income	-	1,416,601	7,929,870	9,346,471
Dividends	-	-	(4,000,000)	(4,000,000)
At 28 May 2022	50,000	4,831,997	41,322,004	46,204,001

The notes on pages 21 to 44 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 27 MAY 2023

	27 May 2023 £	*As restated* *28 May 2022* *£*
Cash flows from operating activities		
Profit for the period	**5,116,723**	*3,515,960*
Adjustments for:		
Depreciation	**2,419,378**	*2,164,253*
Financial instrument net losses through profit and loss	**-**	*131,000*
Loss on disposal of tangible assets	**-**	*139,386*
Other interest receivable and similar income	**(134,251)**	*(4,013)*
Interest payable and similar expenses	**169,000**	*62,000*
Taxation charge	**1,662,025**	*839,356*
Decrease/(increase) in stocks	**1,193,884**	*(1,423,655)*
Increase in debtors	**(1,622,464)**	*(804,641)*
Increase in creditors	**403,988**	*1,504,055*
Increase in retirement benefit obligation net of actuarial changes	**-**	*62,000*
Taxation paid	**(758,107)**	*(759,974)*
Cash generated from operating activities	**8,450,176**	*5,425,727*
Cash flows from investing activities		
Interest received	**57,251**	*4,013*
Purchase of tangible assets	**(2,471,359)**	*(4,029,975)*
Proceeds from sale of tangible assets	**-**	*5,000*
Net cash used in investing activities	**(2,414,108)**	*(4,020,962)*

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 27 MAY 2023

	27 May 2023 £	*As restated 28 May 2022 £*
Cash flows from financing activities		
Interest paid	-	*(62,000)*
Dividends paid	**(4,000,000)**	*(2,000,000)*
Net cash used in financing activities	**(4,000,000)**	*(2,062,000)*
Net increase/(decrease) in cash and cash equivalents	**2,036,068**	*(657,235)*
Cash and cash equivalents at beginning of period	**10,384,365**	*11,041,600*
Cash and cash equivalents at the end of period	**12,420,433**	*10,384,365*
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	**12,420,433**	*10,384,365*

1. General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
The Halfcroft
Syston
Leicester
LE7 1LD

The principal activity of the company is the manufacture of high quality savoury pastry products. There has been no change of activities during the period.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention with the exception of certain items which are shown at fair value as disclosed in the accounting policies, in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling and all values are rounded to the nearest pound (£) except when otherwise stated.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

In preparing these financial statements, the directors have assessed the ability of the company to continue to operate for a period of at least twelve months from the date of signing the financial statements.

In assessing the appropriateness of the going concern assumption, the directors have reviewed detailed profit and loss forecasts, considering all reasonably foreseeable potential scenarios and uncertainties in relation to revenue and expenditure, including the cash position of the business, for a period of at least 12 months from the date of signing the financial statements. undertaken a risk assessment and forecasting exercise to assess the company's liquidity position.

For the purposes of the going concern assessment, the directors have performed sensitivity analysis to assess the impact of adverse scenarios on cashflows. In addition, reverse stress testing has been performed to establish the levels of performance where cash availability would be breached. The results of the analysis demonstrated that there was sufficient cash availability within the company to deal with all of the identified plausible scenarios.

Based on current trading performance and the sensitivity and reverse stress testing scenarios performed, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of no less than twelve months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within interest payable and similar expenses. All other foreign exchange gains and losses are presented in profit or loss within other operating income.

2.4 Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the company's activities.

2.5 Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income or expense recognised as other comprehensive income is recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

2. Accounting policies (continued)

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Tangible assets

Tangible assets are stated in the Balance Sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged

Asset class	Depreciation method and rate
Land and buildings	- 2% straight line
Fixtures, fittings and equipment	- 15% to 30% reducing balance
Motor vehicles	- 25% reducing balance

2. Accounting policies (continued)

2.10 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

2.12 Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised costs using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

2.13 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on standard costs including labour and attributable overheads.

The cost of raw materials, finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in the profit and loss account.

2. Accounting policies (continued)

2.14 Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

2.15 Dividends

Dividend distribution to the company's shareholders is recognised in the financial statements in the reporting period which the dividends are declared.

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.16 Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as an employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

2.17 Defined benefit pension obligation

The company recognises a defined benefit pension asset or liability in the Balance Sheet as the net total of the present value of its obligations and the fair value of plan assets out of which the obligations are to be settled. The defined benefit liability is measured on a discounted present value basis using a rate determined by reference to market yields at the reporting date on high quality corporate bonds. Defined benefit obligations and the related expenses are measured using the projected unit credit method. Plan surpluses are recognised as a defined benefit asset only to the extent that the surplus is recoverable either through reduced contributions in the future or through refunds from the plan.

Changes in the defined benefit asset or liability arising from employee service are recognised in comprehensive income as a current service cost where it relates to services in the current period and as a past service cost where it relates to services in prior periods. Costs relating to plan introductions, benefit changes, curtailments and settlements are recognised in comprehensive income in the period in which they occur.

Net interest is determined by multiplying the defined benefit liability by the discount rate, both as determined at the start of the reporting period, taking account of any changes in the defined benefit liability during the period as a result of contribution and benefit payments. Net interest is recognised in comprehensive income.

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.19 Financial instruments

The company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the company's Balance Sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

2. Accounting policies (continued)

2.19 Financial instruments (continued)

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instruments any contract that evidences a residual interest in the assets of the company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

2. Accounting policies (continued)

2.19 Financial instruments (continued)

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

3. *Judgements in applying accounting policies and key sources of estimation uncertainty*

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

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible fixed assets. The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the tangible fixed assets and see the policy below for the useful economic lives of each class of asset.

(ii) Defined benefit pension scheme. The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimate these factors in determining the net pension obligation in the Balance Sheet. The assumptions reflect historical experience and current trends. See note 24 for the disclosures relating to the defined benefit pension scheme.

4. Turnover

The analysis of the company's revenue for the period from continuing operations is as follows:

	Period ended 27 May 2023 £	*As restated Period ended 28 May 2022 £*
Sale of goods	**79,123,361**	*64,518,574*

The analysis of the company's turnover for the period by market is as follows:

	Period ended 27 May 2023 £	*As restated Period ended 28 May 2022 £*
UK	**78,761,085**	*64,078,765*
Europe	**353,527**	*434,222*
Rest of world	**8,749**	*5,587*
	79,123,361	*64,518,574*

5. Other operating income

The analysis of the company's other operating income for the period is as follows:

	Period ended 27 May 2023 £	*Period ended 28 May 2022 £*
Rental income	**133,692**	*127,850*

6. Operating profit

Arrived at after charging:

	Period ended 27 May 2023	*Period ended 28 May 2022*
	£	*£*
Depreciation	**2,419,378**	*2,164,253*
Loss on disposal of property, plant and equipment	**-**	*139,386*

7. Other interest receivable and similar income

	Period ended 27 May 2023	*Period ended 28 May 2022*
	£	*£*
Interest income on bank deposits	**134,251**	*4,013*

8. Interest payable and similar expenses

	Period ended 27 May 2023	*Period ended 28 May 2022*
	£	*£*
Pension scheme finance costs	**169,000**	*62,000*

9. Staff costs

Staff costs, including directors' remuneration, were as follows:

	Period ended 27 May 2023 £	*Period ended 28 May 2022 £*
Wages and salaries	**15,094,056**	*13,988,110*
Social security costs	**1,353,024**	*1,329,353*
Pension costs, defined contribution scheme	**1,237,805**	*955,817*
	17,684,885	*16,273,280*

The average monthly number of persons employed by the company (including directors) during the period was as follows:

	Period ended 27 May 2023 No.	*Period ended 28 May 2022 No.*
Staff	**422**	*395*
Directors	**3**	*3*
	425	*398*

10. Directors' remuneration

The directors' remuneration for the period was as follows:

	Period ended 27 May 2023 £	*Period ended 28 May 2022 £*
Remuneration	**767,307**	*749,550*

During the period the number of directors who were receiving benefits and share incentives was 1 *(2022: 1)*.

The highest paid director received remuneration of £309,580 *(2022: £298,407)*.

11. Auditor's remuneration

	Period ended 27 May 2023 £	*Period ended 28 May 2022 £*
Audit of the financial statements	**81,140**	*27,416*

	Period ended 27 May 2023 £	*Period ended 28 May 2022 £*
Other fees to auditors		
Taxation compliance services	-	*6,783*
All other tax advisory services	-	*15,437*
All other assurance services	-	*5,934*
All other services relating to corporate finance transactions on behalf of the company	-	*31,174*
All other non-audit services	**2,750**	*6,987*
	2,750	*66,315*

12. Tax on profit

	Period ended 27 May 2023 £	*Period ended 28 May 2022 £*
Corporation tax		
Current tax on profits for the period	**1,172,154**	*538,194*
Adjustments in respect of previous periods	**-**	*(4,406)*
Total current tax	**1,172,154**	*533,788*
Deferred tax		
Arising from origination and reversal of timing differences	**212,366**	*305,568*
Effect of changes in tax rates	**277,505**	*-*
Total deferred tax	**489,871**	*305,568*
Tax on profit	**1,662,025**	*839,356*

12. Tax on profit (continued)

Factors affecting tax charge for the period

The tax on profit before tax for the period is higher than *(2022: higher than)* the standard rate of corporation tax in the UK of 19% *(2022: 19%)*.

The differences are reconciled below:

	Period ended 27 May 2023 £	*Period ended 28 May 2022 £*
Profit before tax	**6,778,748**	*4,355,316*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% *(2022: 19%)*	**1,287,962**	*827,510*
Effect of expense not deductible in determining taxable profit (tax loss)	**87,326**	*35,396*
(Decrease)/increase in UK and foreign current tax from adjustment for prior periods	**-**	*(4,406)*
Tax decrease from effect of capital allowances and depreciation	**(32,618)**	*(324,712)*
Tax increase/(decrease) from other short-term timing differences	**-**	*305,568*
Remeasurement of deferred tax for changes in tax rates	**319,955**	-
Adjustments to brought forward values	**(600)**	-
Total tax charge	**1,662,025**	*839,356*

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%, which was substantively enacted on 24 May 2021. As at 27 May 2023, deferred tax has been measured and reflected in the financial statements using the expected tax rate of 25%.

13. Deferred taxation

	2023 £	As restated 2022 £
At beginning of period	**(1,308,786)**	*(573,198)*
Charged to Other comprehensive income	**(568,363)**	*(430,020)*
Charged to Profit and loss account	**(489,871)**	*(305,568)*
At end of period	**(2,367,020)**	*(1,308,786)*

The provision for deferred taxation is made up as follows:

	27 May 2023 £	As restated 28 May 2022 £
Accelerated capital allowances	**(1,368,637)**	*(878,766)*
Pension benefit obligations	**(998,383)**	*(430,020)*
	(2,367,020)	*(1,308,786)*

14. Tangible assets

	Land and buildings £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost or valuation				
At 29 May 2022	**14,625,000**	**1,570,274**	**32,797,391**	**48,992,665**
Additions	**510**	**10,000**	**2,460,849**	**2,471,359**
At 27 May 2023	**14,625,510**	**1,580,274**	**35,258,240**	**51,464,024**
Depreciation				
At 29 May 2022	**-**	**1,256,192**	**21,388,036**	**22,644,228**
Charge for the period	**173,700**	**78,520**	**2,167,158**	**2,419,378**
At 27 May 2023	**173,700**	**1,334,712**	**23,555,194**	**25,063,606**
Net book value				
At 27 May 2023	**14,451,810**	**245,562**	**11,703,046**	**26,400,418**
At 28 May 2022	*14,625,000*	*314,082*	*11,409,355*	*26,348,437*

Included within the net book value of land and buildings above is £14,451,810 *(2022: £14,625,000)* in respect of freehold land and buildings.

Included within fixtures, fittings and equipment net book value as at 27 May 2023 is assets under construction of £893,672 *(2022: £1,044,155).*

Revaluation

The fair value of the company's freehold property was revalued on 21 April 2022 by an independent valuer. There was no change in the valuation for the current period.

The freehold property was revalued by Charterfields, Chartered Surveyors of Centurion House, 129 Deansgate, Manchester. The valuation was carried out using a fair value basis.

Had this class of asset been measured on a historical cost basis the carrying amount would have been £8,609,125 *(2022: £8,836,309).*

15. Stocks

	27 May 2023 £	*28 May 2022 £*
Raw materials	2,194,077	*4,657,880*
Work in progress	37,846	*66,055*
Finished goods	3,702,392	*2,404,264*
	5,934,315	*7,128,199*

There is no significant difference between the replacement cost of the inventory and its carrying amount.

Stocks are stated after provisions for impairment of £153,402 *(2022: £39,557).*

16. Debtors

	27 May 2023 £	*28 May 2022 £*
Trade debtors	10,033,708	*8,749,754*
Other debtors	953,353	*901,628*
Prepayments	627,270	*340,485*
	11,614,331	*9,991,867*

Trade debtors are stated net of provisions for impairment of £129,043 *(2022: £158,937).*

17. Cash and cash equivalents

	27 May 2023 £	*As restated 28 May 2022 £*
Cash at bank and in hand	12,420,433	*10,384,365*

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 MAY 2023

18. Creditors: Amounts falling due within one year

	27 May 2023 £	*As restated 28 May 2022 £*
Trade creditors	**3,363,970**	*3,834,806*
Social security and other taxes	**1,418,995**	*466,283*
Other creditors	**254**	*2,000,000*
Accruals and deferred income	**1,980,748**	*2,058,890*
Corporation tax	**657,149**	*243,102*
	7,421,116	*8,603,081*

19. Share capital

	27 May 2023 £	*28 May 2022 £*
Allotted, called up and fully paid shares		
50,000 *(2022: 50,000)* Ordinary shares of £1.00 each	**50,000**	*50,000*

Ordinary shares are classified as equity. Equity instruments are measured at fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

20. Reserves

Share capital

There is a single class of ordinary shares. All the shares hold full voting rights and there are no restrictions on the distribution of dividends and the repayment of capital.

Revaluation reserve

The revaluation reserve arose on the revaluation of certain fixed assets prior to transition to FRS 102 and in subsequent revaluations. The amounts representing the equivalent depreciation are transferred to the profit and loss account reserve each year.

Profit and loss account

The profit and loss account reserve represents accumulated comprehensive income for the period and prior periods, transfers from the revaluation reserve relating to depreciation realised on revaluations, remeasurement of the net defined benefit plan and the associated tax effects less dividends paid.

21. Dividends

	27 May 2023 £	*28 May 2022 £*
Interim dividend of £40 *(2022: £80)* per ordinary share	2,000,000	*4,000,000*

22. Analysis of net debt

	As restated At 29 May 2022 £	Cash flows £	At 27 May 2023 £
Cash at bank and in hand	10,834,365	1,586,068	12,420,433
	10,834,365	1,586,068	12,420,433

23. Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £300,424 *(2022: £857,883)*.

24. Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £1,047,322 *(2022: £634,334)*.

Defined benefit pension scheme

Pukka Pies Limited Pension Scheme

Pukka Pies Limited operate a defined benefit pension arrangement called the Pukka Pies Limited Pension Scheme. The company currently pays 10% of the pensionable salaries to cover the benefit accrual for active members.

The date of the most recent comprehensive actuarial valuation was 5 April 2022. The surplus shown for this FRS 102 valuation represents an update of the latest triennial actuarial valuation as at 5 April 2022 with allowance made for further benefit accrual, interest on the scheme liabilities, benefits that have been paid out of the scheme and changes in market conditions. In addition, allowance has been made for benefit increases over the period compared to the assumed increases at the start of the period.

The total cost relating to the defined benefit scheme for the period recognised in the profit and loss account as an expense was £190,483 *(2022: £383,483)*.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the balance sheet are as follows:

	27 May 2023 £	*28 May 2022 £*
Fair value of scheme assets	**25,460,000**	*29,229,000*
Present value of defined benefit obligation	**(21,362,000)**	*(26,966,000)*
Defined benefit pension scheme surplus/(deficit)	**4,098,000**	*2,263,000*

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	27 May 2023 £	*28 May 2022 £*
Present value at start of period	**26,966,000**	*36,430,000*
Current service cost	**169,000**	*226,000*
Interest cost	**922,000**	*743,000*
Actuarial gains and losses	**(6,037,000)**	*(9,787,000)*
Benefits paid	**(753,000)**	*(741,000)*
Contribution by scheme participants	**95,000**	*95,000*
Present value at the of period	**21,362,000**	*26,966,000*

Fair value of scheme assets

	27 May 2023 £	*28 May 2022 £*
Fair value at start of period	**29,229,000**	*33,482,000*
Interest income	**999,000**	*681,000*
Return on plan assets, excluding amounts included in interest income/(expense)	**(4,205,000)**	*(4,383,000)*
Actuarial gains and losses	**95,000**	*95,000*
Contributions by scheme participants	**95,000**	*95,000*
Benefits paid	**(753,000)**	*(741,000)*
Fair value at end of period	**25,460,000**	*29,229,000*

Analysis of assets

The major categories of scheme assets are as follows:

	27 May 2023 £	*28 May 2022 £*
Cash and cash equivalents	**68,000**	*(13,000)*
Equity instruments	**3,868,000**	*7,616,000*
Debt instruments	**21,524,000**	*21,626,000*
	25,460,000	*29,229,000*

Return on scheme assets

	27 May 2023 £	*28 May 2022 £*
Return on schemes assets	**999,000**	*681,000*

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

Principal actuarial assumptions

The principal actuarial assumptions at the balance sheet date are as follows:

	27 May 2023 %	*28 May 2022 %*
Discount rate	**5.15**	*3.45*
Future salary increases	**2.50**	*2.85*
Future pension increases	**3.00**	*3.00*
Inflation	**3.10**	*3.30*

. **Post retirement mortality assumptions**

	27 May 2023 Years	*28 May 2022 Years*
Current UK pensioners at retirement age - male	**21**	*22*
Current UK pensioners at retirement age - female	**24**	*24*
Future UK pensioners at retirement age - male	**23**	*23*
Future UK pensioners at retirement age - female	**25**	*26*

25. Related party transactions

Key management compensation

	27 May 2023 £	*28 May 2022 £*
Salaries and other short term employee benefits	**1,335,206**	*1,274,883*

Summary of transactions with other related parties

During the period the directors received dividends amounting to £1,477,120 *(2022: £2,234,240).*

Members of the directors' immediate family, The Storer Family Trust and the TKS Will Trust, whose beneficiaries are members of the directors' immediate family, received dividends amounting of £522,880 *(2022: £1,765,760).*

Pukka Pies Limited rents a property from a limited liability partnership controlled by two of the directors and an immediate family member. The company paid rent amounting to £62,500 *(2022: £125,000).*

26. Post balance sheet events

On the 19th September 2023, the freehold land and buildings held by Pukka Pies Limited with a net book value of £14.625m as at 27 May 2023, were transferred to a group company, Pukka Pies Properties Limited. The consideration paid for the transfer of these properties was £14.625m.

27. Prior year adjustment

1. Overriders had been incorrectly classified as a Cost of sale in the profit and loss account rather than classified within Turnover. The period ended 28 May 2022 has been restated to correct this matter with the impact being an increase to Cost of sales of £696k with a corresponding decrease to Turnover. There is no impact on overall profit.

2. Costs relating to distribution costs in nature had been incorrectly classified as either a Cost of sale or within Administrative expenses. The period ended 28 May 2022 has been restated to disclose costs relating to distribution type expenses within their own separate line labelled Distribution costs on the face of the profit and loss account. The impact of this being an increase to Distribution costs of £2,286k, a decrease to Cost of sales of £1,948k and a decrease to Administrative expenses of £338k. There is no impact on overall profit.

3. A proportion of the dividend declared in the prior year had not been paid as at period-end however had incorrectly been deducted from the cash balance. The period ended 28 May 2022 has been restated to correct this matter with the impact being an increase in Cash at bank in hand of £2,000k and a corresponding increase in Other creditors. The associated impact has also been corrected in the cash flow statement.

4. The deferred tax liability arising on the pension asset had not been recognised correctly in the prior period. The period ended 28 May 2022 has been restated to correct this matter with the impact being an increase in the Deferred tax liability £430k and a corresponding increase in the Pension asset.

28. Controlling party

The immediate parent is Claytonkemp Holdings Limited. There is no ultimate controlling party by virtue of shareholdings as no individual shareholder holds a majority of voting rights.