

BURTS SNACKS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

BURTS SNACKS LIMITED

COMPANY INFORMATION

DIRECTORS	J Patel (Chairman) D Nairn M Cosby T Kelly J Joseph Y Patel D McNulty
COMPANY SECRETARY	D Nairn
REGISTERED NUMBER	02665660
REGISTERED OFFICE	The Klamp House Belliver Way Roborough Plymouth Devon PL6 7BP
INDEPENDENT AUDITORS	Bishop Fleming LLP Chartered Accountants & Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN
BANKERS	Leumi ABL Limited 126 Dyke Road Brighton East Sussex BN1 3TE

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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

BUSINESS REVIEW

2021 was a year of both opportunity and challenge for Burts Snacks. The impact of Covid lockdowns affected the first quarter as out of home channels only gradually re-opened. Later in the year we felt the impact of national shortages of skilled labour as well as the rising Covid cases through the autumn. The well-publicized issues around HGV driver availability had some impact on our logistics partners towards the end of the year resulting in some short-term impacts on our service levels. Towards the end of the year, as global demand bounced back following the pandemic, we began to see the impact of inflationary pressure across the wider economy.

Despite this, we saw sales increase from £57.3m in 2020 to £68.0m in 2021 – a rise of 19%. The result, before tax, went from a loss of £1.8m in 2020 to a profit of £1.2m in 2021 while EBITDA increased from £2.7m to £5.2m in the same period.

The improvement in profitability was delivered across all segments of the business. Our branded sales recovered to beyond pre-pandemic levels and new national listings have already started to transform this area of the business. This has been the main driver of our improved performance. Our core private label contracts continued to grow strongly and benefitted from the market shift away from out of home to in-home snacking through the pandemic. We also launched a number of major new projects for our co-manufacturing partners.

The business has successfully negotiated the challenges presented by Brexit and the pandemic and is now well positioned to move to the next stage of growth.

PRINCIPAL RISKS AND UNCERTAINTIES

Continuity of supply of raw materials is key to achieving our service and quality objectives. Wherever possible we forward contract key ingredients such as potatoes, corn and oils and we work with our supplier base to source materials and services as locally as possible. We also maintain a flexible supply base across the UK, EU and USA to mitigate any risk associated to supply disruption.

The conflict in central Europe will affect food supply chains across the globe and we are working actively with our supplier base to ensure that we maintain continuity of supply of product.

Exchange risk is managed, as far as possible, through a natural hedge which matches revenues with outgoings in foreign currencies. Where this is not possible, we consider taking forward positions as appropriate.

The risk of bad debts is always present but our rigorous credit control procedures have historically minimized our exposure in this area.

Our improving operational performance, combined with the continued support of our shareholders, have negated any risks around going concern.

FINANCIAL KEY PERFORMANCE INDICATORS

We continue to focus on headline revenues, traded gross margin, EBITDA and net profit as our primary financial KPIs.

OTHER KEY PERFORMANCE INDICATORS

We monitor a number of KPIs around safety, quality, service, output, labour efficiency and waste on a daily, weekly and monthly basis against industry-standard benchmarks.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE GROUP

The directors recognise their duty to act in ways that they consider to be most likely to promote the success of the company for the benefit of its staff and wider stakeholder group.

Our successful "Do It Right" forum continues to ensure that staff are fully engaged with the business. Throughout the year there has continued to be direct contact between board members and senior staff at our major customers and suppliers.

We also ensure that our other service providers, such as providers of finance and accountants, are kept fully informed of developments within the business at all times.

We work with a number of our suppliers to ensure that waste to landfill is kept to zero and we continue to identify and implement energy saving initiatives. Maintaining our SEDEX compliance has also demonstrated our commitment to ensuring the highest levels of ethical business conduct.

We recognize that discrimination is unacceptable and although equality of opportunity has been a long-standing feature of our employment practices and procedure, we have made the decision to adopt a formal equal opportunities policy. Breaches of the policy will lead to disciplinary proceedings and, if appropriate, disciplinary action.

The aim of the policy is to ensure no job applicant, employee or worker is discriminated against either directly or indirectly on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy or maternity, race, religion or belief, sex or sexual orientation.

This report was approved by the board and signed on its behalf.

J Patel
Director

Date: 23 August 2022

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The principal activity of the group during the year was that of premium crisp, popcorn and snack manufacturing.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,151,420 (2020: loss £1,777,955).

No dividend is recommended.

DIRECTORS

The directors who served during the year were:

J Patel (Chairman)
D Nairn
M Cosby
T Kelly
J Joseph
Y Patel
D McNulty

FUTURE DEVELOPMENTS

As the business returns to a strong and sustained level of profitability, we are able to focus on opportunities to develop new products and markets.

We have undertaken a complete re-branding exercise on our Burts brand with significant investment in upgrading packaging and design and we are confident that this will transform the performance of this part of our business in the years to come. By continuing to leverage our strengths in the development of new products we are also able to exploit opportunities not only on brand but also in the own label and co-manufacturing segments of our business where we continue to win and build partnerships.

As ever, the snacking market is highly competitive but our focus on quality, service and innovation will ensure that we continue to capitalize on opportunities and meet any business challenges.

ENGAGEMENT WITH EMPLOYEES

With 356 staff members across the two manufacturing sites, we recognize that staff engagement is critical to our continued success. Our most recent survey showed high engagement scores which reflects an engaged and motivated team aligned to our overall vision. We achieve this through programmes of training and development as well as regular employee communication forums. Our "Do It Right" forum continues to ensure that staff feel able to raise ideas and concerns directly with senior management.

We are committed to following best practice based on equal opportunities for employees regardless of race, colour, disability, marital status or sex.

The company has a strong focus on health and safety. Training is given to staff either face to face or via the company's web-based training portal. Accidents and near misses are reported and reviewed on a daily basis and the safety committee meets each month to review progress and agree improvement initiatives.

Our comprehensive budgeting and reporting processes ensure that finance providers and other key stakeholders remain informed of our progress.

We hold regular board meetings and maintain a constant dialogue with our shareholders. This allows us to take decisions rapidly and react to change.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

We continue to maintain close relationships with our customers and suppliers, not only on a day-to-day basis, but also through the requirements of our quality management systems and regular audits. Decisions are taken with due consideration to our various stakeholders.

ENVIRONMENTAL MATTERS

We are always striving to be recognized as a force for good in our industry and in the communities in which we operate.

The business continues to operate a zero to landfill policy with all waste products either being recycled or converted to clean energy.

Through 2021 we have implemented a number of specific projects around sustainability:

- Review of the specification and usage of cleaning chemicals
- Continued investment in energy efficient lighting systems
- Reducing water usage by fitting flow control systems to equipment
- Increasing the number of electric vehicles in the fleet
- Continued reduction in packaging and optimizing trailer loading

We have also run a training programme around carbon literacy for all members of staff. The continuing increases in the cost of energy will also encourage us to develop new initiatives to reduce cost and deliver benefit to our bottom line

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 introduced the requirement for annual energy and carbon reporting. This is the second year of reporting. The tables below provide a summary of the data relating to energy use, associated greenhouse emissions and intensity ratios collated for the years ended 31 December 2021 and 31 December 2020.

	UK GHG Emissions & Energy Financial Year ending 31 st December 2021		
		tonnes CO ₂ e	kWh
Company car fuel	Scope 1	10.91	
Natural Gas	Scope 1	4,502.06	24,579,925
Electricity	Scope2	1,480.15	6,348,745
T&D- UK electricity	Scope 3	119.29	6,348,745
Total		6,112.41	30,928,670.40
Intensity Ratio	Turnover	8.85 tonnes of CO ₂ e emitted per £100K	

	UK GHG Emissions & Energy Financial Year ending 31 st December 2020		
		tonnes CO ₂ e	kWh
Company car fuel	Scope 1	6.46	
Natural Gas	Scope 1	3715.21	20,205,624
Electricity	Scope2	1345.60	5,771,623
T&D- UK electricity	Scope 3	115.72	5,771,623
Total		5182.98	25,977,246.81
Intensity Ratio	Turnover	9.036 tonnes of CO ₂ e emitted per £100K	

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Methodology

Greenhouse gas emissions are reported in gross tonnes CO₂e in line with the requirements set out in the UK Government's Environmental Reporting Guidelines (March 2019 version) and use the UK Government GHG (Green House Gas) Conversion Factors for Company Reporting (2020 version 1.0). The operational control approach for the company's (UK) vehicle activities has been applied and is guided by the GHG Protocol – Corporate Standard (revised edition). No energy is consumed outside of the United Kingdom.

Electricity and gas consumption for the reference period has been determined from AMR and manually read sub metering. Emissions from electricity are location based, report grid purchased electricity (Scope 2) and include transmission losses (Scope 3).

Vehicle data is included, the company does not own vehicles but has operating leases and therefore reports the emissions under Scope 1 for fuel combustion.

Energy efficiency action

Although there is an increase in CO₂e for the 2021 reporting period this can be credited to the improvements in data capture giving a more accurate figure for the emissions of the company. Burts Snacks remain committed to reducing the intensity of their carbon emissions and continue to use ISO50001 methodology. Moving into the next reporting period Burts Snacks are looking into the possibility of self-generation of electricity with energy management consultants BCR Associates.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

POST BALANCE SHEET EVENTS

The directors are not aware of any events that have occurred subsequent to the 31 December 2021 which might have a material impact on the interpretation of these financial statements.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

AUDITORS

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

J Patel

Director

Date: 23 August 2022

The Klamp House
Belliver Way
Roborough
Plymouth
Devon
PL6 7BP

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 of the Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BURTS SNACKS LIMITED

OPINION

We have audited the financial statements of Burts Snacks Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, 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 Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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 other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BURTS SNACKS LIMITED (CONTINUED)

OPINION 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 7, 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 Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BURTS SNACKS LIMITED (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- We have considered the nature of the industry and sector, control environment and financial performance, key drivers for directors' remuneration, bonus levels and performance targets;
- We have considered the results of enquiries with management and the directors in relation to their own identification and assessment of the risks of irregularities within the Group;
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that systems are operating in line with documentation; and
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest areas of risk to be in relation to revenue recognition and management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, FRS 102 and UK tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These include food safety legislation, data protection regulations, licensing regulations, occupational health and safety regulations, and employment law.

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having direct effect on the financial statements.
- Enquiring of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Performing detailed transactional testing in relation to the recognition of revenue; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries, and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of the business.

We also communicated relevant identified laws and regulations and potential fraud risk to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BURTS SNACKS LIMITED (CONTINUED)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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 Auditors' 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 Auditors' 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.

Robert Davey FCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

23 August 2022

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	67,977,443	57,357,253
Cost of sales		(54,508,234)	(47,605,365)
GROSS PROFIT		13,469,209	9,751,888
Administrative expenses		(11,174,451)	(10,437,563)
Other operating income	5	28,279	132,502
OPERATING PROFIT/(LOSS)		2,323,037	(553,173)
Interest payable and similar expenses		(1,171,617)	(1,224,782)
PROFIT/(LOSS) BEFORE TAXATION		1,151,420	(1,777,955)
Taxation	11	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		1,151,420	(1,777,955)
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the parent Company		1,151,420	(1,777,955)
		1,151,420	(1,777,955)

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 19 to 36 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Intangible assets	12	3,194,237	3,629,917
Tangible assets	13	16,404,875	16,534,800
		<u>19,599,112</u>	<u>20,164,717</u>
CURRENT ASSETS			
Stocks	15	4,495,282	3,196,402
Debtors	16	12,228,397	11,136,309
Cash at bank and in hand	17	664,564	262,716
		<u>17,388,243</u>	<u>14,595,427</u>
Creditors: amounts falling due within one year	18	(30,538,484)	(32,535,716)
NET CURRENT LIABILITIES		<u>(13,150,241)</u>	<u>(17,940,289)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,448,871</u>	<u>2,224,428</u>
Creditors: amounts falling due after more than one year	19	(8,220,407)	(5,143,194)
PROVISIONS FOR LIABILITIES			
NET LIABILITIES		<u>(1,771,536)</u>	<u>(2,918,766)</u>
CAPITAL AND RESERVES			
Called up share capital	21	239,194	243,384
Profit and loss account	22	(2,010,730)	(3,162,150)
		<u>(1,771,536)</u>	<u>(2,918,766)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J Patel
Director

Date: 23 August 2022

The notes on pages 19 to 36 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Intangible assets	12	3,194,237	3,629,917
Tangible assets	13	16,404,875	16,534,800
Investments	14	193	193
		<u>19,599,305</u>	<u>20,164,910</u>
CURRENT ASSETS			
Stocks	15	4,495,282	3,196,402
Debtors	16	12,255,878	11,137,974
Cash at bank and in hand	17	650,411	262,616
		<u>17,401,571</u>	<u>14,596,992</u>
Creditors: amounts falling due within one year	18	(30,536,574)	(32,535,806)
NET CURRENT LIABILITIES		<u>(13,135,003)</u>	<u>(17,938,814)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,464,302</u>	<u>2,226,096</u>
Creditors: amounts falling due after more than one year	19	(8,220,407)	(5,143,194)
NET LIABILITIES		<u>(1,756,105)</u>	<u>(2,917,098)</u>
CAPITAL AND RESERVES			
Called up share capital	21	239,194	243,384
Profit and loss account	22	(1,995,299)	(3,160,482)
		<u>(1,756,105)</u>	<u>(2,917,098)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J Patel
Director

Date: 23 August 2022

The notes on pages 19 to 36 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	243,964	(1,384,195)	(1,140,231)
COMPREHENSIVE INCOME FOR THE YEAR			
Loss for the year	-	(1,777,955)	(1,777,955)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(1,777,955)	(1,777,955)
Shares issued during the year	105	-	105
Shares cancelled during the year	(685)	-	(685)
At 1 January 2021	243,384	(3,162,150)	(2,918,766)
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	1,151,420	1,151,420
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	1,151,420	1,151,420
Shares issued during the year	1,250	-	1,250
Shares cancelled during the year	(5,440)	-	(5,440)
AT 31 DECEMBER 2021	239,194	(2,010,730)	(1,771,536)

The notes on pages 19 to 36 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	243,964	(1,228,560)	(984,596)
COMPREHENSIVE INCOME FOR THE YEAR			
Loss for the year	-	(1,931,922)	(1,931,922)
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS			
Shares issued during the year	105	-	105
Shares cancelled during the year	(685)	-	(685)
At 1 January 2021	243,384	(3,160,482)	(2,917,098)
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	1,165,183	1,165,183
Shares issued during the year	1,250	-	1,250
Shares cancelled during the year	(5,440)	-	(5,440)
AT 31 DECEMBER 2021	239,194	(1,995,299)	(1,756,105)

The notes on pages 19 to 36 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) for the year	1,151,420	(1,777,955)
ADJUSTMENTS FOR:		
Amortisation of intangible assets	435,680	487,395
Depreciation of tangible assets	2,462,883	2,716,949
Loss on disposal of tangible assets	212,884	1,046
Interest paid	1,171,617	1,224,782
(Increase)/decrease in stocks	(1,298,880)	446,784
(Increase) in debtors	(1,092,088)	(1,144,143)
Increase in creditors	769,902	1,255,129
(Decrease) in amounts owed to participating interests	(2,446,073)	(214,005)
NET CASH GENERATED FROM OPERATING ACTIVITIES	1,367,345	2,995,982
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(2,545,842)	(1,115,269)
NET CASH FROM INVESTING ACTIVITIES	(2,545,842)	(1,115,269)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue and cancellation of ordinary shares	(4,190)	(580)
New secured loans	6,000,000	-
Repayment of loans	(3,243,848)	(1,133,264)
Interest paid	(1,171,617)	(1,224,782)
NET CASH USED IN FINANCING ACTIVITIES	1,580,345	(2,358,626)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	401,848	(477,913)
Cash and cash equivalents at beginning of year	262,716	740,629
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	664,564	262,716
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	664,564	262,716
	664,564	262,716

The notes on pages 19 to 36 form part of these financial statements.

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	262,716	401,848	664,564
Debt due after 1 year	(1,143,194)	(3,077,213)	(4,220,407)
Debt due within 1 year	(8,937,295)	508,281	(8,429,014)
	<u>(9,817,773)</u>	<u>(2,167,084)</u>	<u>(11,984,857)</u>

The notes on pages 19 to 36 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. GENERAL INFORMATION

The company, registered number 02665660, is a private company, limited by shares and registered in England and Wales. The registered office is The Klamp House, Belliver Way, Roborough, Devon, PL6 7BP.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 January 2015.

2.3 GOING CONCERN

As at 31 December 2021, the Group has net current liabilities of £13,150,241 (2020: £17,940,289). £11,132,329 (2020: £13,578,402) of this is due to related parties. Funding from related parties is shown within current liabilities and £4,000,000 (2020: £4,000,000) within non-current liabilities in line with the legal contract, however a deed of postponement is in place with the company bankers to confirm that any bank debt is repaid prior to the related party debt.

The Group has made a profit of £1,151,420 (2020: £1,777,955 loss) and has net liabilities at 31 December 2021 of £1,771,536 (2020: £2,918,766).

At the end of May 2022 the Group was trading strongly with sales up 38% versus the same period in 2020 and EBITDA up 57%. This coupled with forecasted profits, cash inflows and the continued support of the shareholders is why the directors consider the going concern basis of preparation to be appropriate.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES (continued)

2.4 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 INTANGIBLE ASSETS

GOODWILL

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated statement of comprehensive income over its useful economic life.

OTHER INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Website	-	3 years straight line
Goodwill	-	4-10 years straight line

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES (continued)

2.6 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Long-term leasehold property	- over term of lease
Plant and machinery	- 15% reducing balance
Motor vehicles	- 25% straight line
Fixtures and fittings	- 33% straight line
Office equipment	- 10% reducing balance
Computer equipment	- 25% straight line
Assets under construction	- No depreciation until completed

2.7 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.8 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a standard cost basis. Finished goods include labour and attributable overheads.

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

2.9 DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (continued)

2.11 FINANCIAL INSTRUMENTS

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

2.12 CREDITORS

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.14 OPERATING LEASES: THE GROUP AS LESSEE

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2. ACCOUNTING POLICIES (continued)

2.15 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The group'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 Consolidated statement of comprehensive income within 'administrative expenses'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'other operating income'.

2.16 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.17 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3.

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following have been considered to be significant estimates or judgements:

Share Options - The directors have set hurdle rates attached to the share options issued. The directors are of the view that the shares granted to staff through the Long Term Incentive Plan (LTIP) did not have a material valuation when granted.

Goodwill amortisation period - The amortisation period for the goodwill arising on the acquisition of Savoury & Sweet Ltd has been set at 10 years to reflect the period the Group expect to continue to benefit from the goodwill.

Depreciation rates - Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives. The bases for depreciation charges are detailed in note 2.6 and are reviewed and adjusted prospectively if appropriate or if there is a significant change since the last reporting date. Useful lives are estimated by management with reference to manufacturers guidelines and existing knowledge and experience.

4. TURNOVER

Analysis of turnover by country of destination:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
United Kingdom	65,962,471	55,545,329	65,962,471	55,545,329
Rest of Europe	785,112	705,745	785,112	705,745
Rest of the world	1,229,860	1,106,179	1,229,860	1,106,179
	<u>67,977,443</u>	<u>57,357,253</u>	<u>67,977,443</u>	<u>57,357,253</u>

All material business activities are related to the manufacture of snack foods and therefore the Group operates in a single market segment.

5. OTHER OPERATING INCOME

	2021 £	2020 £
Government grants receivable	<u>28,279</u>	<u>132,502</u>

The Group was eligible to claim funding during the year from government support schemes in response to Covid-19, specifically the Coronavirus Job Retention Scheme.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Depreciation on tangible fixed assets	2,462,883	2,716,949	2,462,883	2,716,904
Amortisation on intangible fixed assets	435,680	487,395	435,680	487,395
Fees payable to the group's auditor and its associate for the audit of the group's annual financial statements	33,750	26,000	33,750	26,000
Defined pension contribution cost	350,265	340,775	350,265	340,775
Exchange differences	56,810	43,556	56,532	43,556
Other operating lease rentals	1,416,705	1,396,339	1,416,705	1,396,339

7. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	33,750	26,000

FEES PAYABLE TO THE GROUP'S AUDITOR AND ITS ASSOCIATES IN RESPECT OF:

Other services relating to taxation	4,250	4,000
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8. EMPLOYEES

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	9,885,502	9,412,847	9,885,502	9,412,847
Social security costs	913,976	812,922	913,976	812,922
Cost of defined contribution scheme	350,265	340,775	350,265	340,775
	11,149,743	10,566,544	11,149,743	10,566,544

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Directors	7	8	7	7
Production	297	298	297	298
Administration	52	40	52	41
	<u>356</u>	<u>346</u>	<u>356</u>	<u>346</u>

9. DIRECTORS' REMUNERATION

	2021 £	2020 £
Directors' emoluments	515,998	544,514
Group contributions to defined contribution pension schemes	13,513	11,271
Compensation for loss of office	-	34,842
	<u>529,511</u>	<u>590,627</u>

During the year retirement benefits were accruing to 2 directors (2020: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £207,567 (2020: £182,206).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,590 (2020: £5,006).

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank interest payable	143,477	141,427	143,477	141,427
Loans from participating interests	849,298	902,000	849,298	902,000
Other interest payable	178,842	181,355	178,842	181,355
	<u>1,171,617</u>	<u>1,224,782</u>	<u>1,171,617</u>	<u>1,224,782</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. TAXATION

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19.0% (2020: 19.0%). The differences are explained below:

	2021 £	2020 £
Profit/(loss) on ordinary activities before tax	<u>1,151,420</u>	<u>(1,777,955)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2020: 19.0%)	218,770	(337,811)
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,051	5,422
Capital allowances for year in excess of depreciation	42,894	124,699
Other permanent differences	69	-
Adjustments to tax charge in respect of prior periods - deferred tax	438	-
Non-taxable income	(1,126)	(403)
Adjustment in respect of a change in tax rates	(155,894)	(57,924)
Deferred tax not recognised	(108,817)	266,017
Unrelieved loss on foreign subsidiaries	2,615	-
TOTAL TAX CHARGE FOR THE YEAR	<u><u>-</u></u>	<u><u>-</u></u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Unrelieved tax losses remain available to offset against future taxable profits. These losses have not been recognised within the financial statements as they do not meet the conditions required in accordance with FRS 102. Losses carried forward total £9,874,180 - tax effect £1,876,094.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. INTANGIBLE ASSETS

Group

	Website £	Goodwill £	Total £
COST			
At 1 January 2021	58,868	6,309,486	6,368,354
At 31 December 2021	58,868	6,309,486	6,368,354
AMORTISATION			
At 1 January 2021	48,328	2,690,109	2,738,437
Charge for the year on owned assets	5,400	430,280	435,680
At 31 December 2021	53,728	3,120,389	3,174,117
NET BOOK VALUE			
At 31 December 2021	5,140	3,189,097	3,194,237
At 31 December 2020	10,540	3,619,377	3,629,917

Company

	Website £	Goodwill £	Total £
COST			
At 1 January 2021	58,868	5,550,177	5,609,045
At 31 December 2021	58,868	5,550,177	5,609,045
AMORTISATION			
At 1 January 2021	48,328	1,930,800	1,979,128
Charge for the year	5,400	430,280	435,680
At 31 December 2021	53,728	2,361,080	2,414,808
NET BOOK VALUE			
At 31 December 2021	5,140	3,189,097	3,194,237
At 31 December 2020	10,540	3,619,377	3,629,917

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

TANGIBLE FIXED ASSETS

Group

	Long-term leasehold property	Plant and machinery	Office equipment	Computer equipment	Assets under construction	Total
	£	£	£	£	£	£
COST						
At 1 January 2021	2,295,559	24,163,913	82,823	539,585	873,433	27,955,313
Additions	26,590	69,396	-	27,238	2,422,618	2,545,842
Disposals	(23,540)	(844,944)	-	(5,267)	(15,578)	(889,329)
Transfers between classes	33,634	2,626,682	-	43,681	(2,703,997)	-
	<u>2,332,243</u>	<u>26,015,047</u>	<u>82,823</u>	<u>605,237</u>	<u>576,476</u>	<u>29,611,826</u>
At 31 December 2021						
DEPRECIATION						
At 1 January 2021	1,023,459	9,878,428	60,123	458,503	-	11,420,513
Charge for the year on owned assets	126,652	2,249,146	2,271	84,814	-	2,462,883
Disposals	(17,373)	(653,810)	-	(5,262)	-	(676,445)
	<u>1,132,738</u>	<u>11,473,764</u>	<u>62,394</u>	<u>538,055</u>	<u>-</u>	<u>13,206,951</u>
At 31 December 2021						
NET BOOK VALUE						
At 31 December 2021	<u>1,199,505</u>	<u>14,541,283</u>	<u>20,429</u>	<u>67,182</u>	<u>576,476</u>	<u>16,404,875</u>
At 31 December 2020	<u>1,272,100</u>	<u>14,285,485</u>	<u>22,700</u>	<u>81,082</u>	<u>873,433</u>	<u>16,534,800</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Company

	Long-term leasehold property	Plant and machinery	Office equipment	Computer equipment	Assets under construction	Total
	£	£	£	£	£	£
COST						
At 1 January 2021	1,892,246	20,690,538	22,752	272,179	873,433	23,751,148
Additions	26,590	69,396	-	27,238	2,422,618	2,545,842
Disposals	(23,540)	(844,944)	-	(5,267)	(15,578)	(889,329)
Transfers between classes	33,634	2,626,682	-	43,681	(2,703,997)	-
At 31 December 2021	1,928,930	22,541,672	22,752	337,831	576,476	25,407,661
DEPRECIATION						
At 1 January 2021	607,490	6,499,564	52	109,242	-	7,216,348
Charge for the year on owned assets	126,652	2,249,146	2,271	84,814	-	2,462,883
Disposals	(17,373)	(653,810)	-	(5,262)	-	(676,445)
At 31 December 2021	716,769	8,094,900	2,323	188,794	-	9,002,786
NET BOOK VALUE						
At 31 December 2021	<u>1,212,161</u>	<u>14,446,772</u>	<u>20,429</u>	<u>149,037</u>	<u>576,476</u>	<u>16,404,875</u>
At 31 December 2020	<u>1,284,756</u>	<u>14,190,974</u>	<u>22,700</u>	<u>162,937</u>	<u>873,433</u>	<u>16,534,800</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. FIXED ASSET INVESTMENTS

Company

	Investments in subsidiary companies £
COST	
At 1 January 2021	111,190
At 31 December 2021	111,190
IMPAIRMENT	
At 1 January 2021	110,997
At 31 December 2021	110,997
NET BOOK VALUE	
At 31 December 2021	193
At 31 December 2020	193

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Burts Chips Limited	The Klamp House, Belliver Way, Roborough, PL6 7BP	Ordinary	100 %
Savoury & Sweet UK Topco Limited	65 Lewisher Road, Leicester, LE4 9LR	Ordinary	100 %
Savoury & Sweet UK Bidco Limited	65 Lewisher Road, Leicester, LE4 9LR	Ordinary	100 %
Savoury & Sweet Ltd	65 Lewisher Road, Leicester, LE4 9LR	Ordinary	100 %
Savoury & Sweet Snack Foods Ltd	65 Lewisher Road, Leicester, LE4 9LR	Ordinary	100 %
Burts Snacks IE Limited	Inniscarra, Main street, Rathcoole, Co. Dublin	Ordinary	100 %

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. FIXED ASSET INVESTMENTS (CONTINUED)

SUBSIDIARY UNDERTAKINGS (CONTINUED)

The aggregate of the share capital and reserves as at 31 December 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
	£	£
Burts Chips Limited	100	-
Savoury & Sweet UK Topco Limited	1	-
Savoury & Sweet UK Bidco Limited	1	-
Savoury & Sweet Ltd	1,000	167,740
Savoury & Sweet Snack Foods Ltd	1	-
Burts Snacks IE Limited	(13,673)	(13,673)

15. STOCKS

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Raw materials and consumables	3,171,461	1,983,604	3,171,461	1,983,604
Finished goods and goods for resale	1,323,821	1,212,798	1,323,821	1,212,798
	<u>4,495,282</u>	<u>3,196,402</u>	<u>4,495,282</u>	<u>3,196,402</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

16. DEBTORS

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	10,629,350	10,288,261	10,470,877	10,289,928
Amounts owed by group undertakings	-	-	191,181	-
Other debtors	190,453	1,526	185,226	1,524
Prepayments and accrued income	1,408,594	846,522	1,408,594	846,522
	<u>12,228,397</u>	<u>11,136,309</u>	<u>12,255,878</u>	<u>11,137,974</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. CASH AND CASH EQUIVALENTS

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Cash at bank and in hand	664,564	262,716	650,411	262,616

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Bank loans	1,199,113	1,520,174	1,199,113	1,520,174
Trade creditors	7,600,128	6,343,719	7,600,128	6,343,719
Invoice discounting	7,229,901	7,417,121	7,229,901	7,417,121
Amounts owed to other participating interests	11,132,329	13,578,402	11,132,329	13,578,402
Other taxation and social security	1,640,867	2,380,554	1,640,867	2,380,554
Other creditors	51,718	47,743	51,808	47,833
Accruals and deferred income	1,684,428	1,248,003	1,682,428	1,248,003
	30,538,484	32,535,716	30,536,574	32,535,806

Bank loans are secured against specific tangible fixed assets owned by the group.

The liabilities categorised as invoice discounting are secured against the assets upon which they relate.

Amounts owed to other participating interests includes loans of £6,500,000 at an interest rate of 7%, and interest free loans of £4,327,993. The loans are repayable on demand.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Bank loans	4,220,407	1,143,194	4,220,407	1,143,194
Amounts owed to other participating interests	4,000,000	4,000,000	4,000,000	4,000,000
	8,220,407	5,143,194	8,220,407	5,143,194

Bank loans are secured against specific tangible fixed assets owned by the group.

Amounts owed to other participating interests includes a loan of £4,000,000 at an interest rate of 7%. The loan is repayable 370 days from the date on which it is called for repayment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

20. LOANS

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
AMOUNTS FALLING DUE WITHIN ONE YEAR				
Bank loans	1,199,113	1,520,174	1,199,113	1,520,174
AMOUNTS FALLING DUE 1-2 YEARS				
Bank loans	1,200,000	1,031,680	1,200,000	1,031,680
AMOUNTS FALLING DUE 2-5 YEARS				
Bank loans	3,020,407	111,514	3,020,407	111,514
	<u>5,419,520</u>	<u>2,663,368</u>	<u>5,419,520</u>	<u>2,663,368</u>

At the year end, there were two bank loans secured against specific tangible fixed assets owned by the group at a rate of 2.6% over 3 month LIBOR, repayable by installments.

21. SHARE CAPITAL

	2021 £	2020 £
ALLOTTED, CALLED UP AND FULLY PAID		
16,264,614 (2020: 16,264,614) A ordinary shares of £0.010 each	162,646	162,646
4,947,000 (2020: 4,947,000) B ordinary shares of £0.010 each	49,470	49,470
227,827 (2020: 227,827) C ordinary shares of £0.010 each	2,278	2,278
2,160,000 (2020: 2,700,000) D1 growth shares of £0.010 each	21,600	27,000
2,070,000 (2020: 1,260,000) D2 growth shares of £0.001 each	2,070	1,260
1,130,000 (2020: 730,000) D3 growth shares of £0.001 each	1,130	730
	<u>239,194</u>	<u>243,384</u>

The company has D shares as part of a long term incentive scheme. The D2 and D3 shares do not have any voting rights. The D shareholders' share in the proceeds of a sale of the group would be above a hurdle rate. The rate was set at the directors' estimate of the fair value of the shares at the point the growth shares were issued.

During the year 440,000 D3 growth shares were allotted, at £0.001 each for a total consideration of £440 and 810,000 D2 growth shares were allotted, at £0.001 each for a total consideration of £810. 40,000 D3 growth shares with a nominal value of £0.001 and 540,000 D1 growth shares with a nominal value of £0.01 were repurchased and cancelled by the company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

22. RESERVES

Profit and loss account

This reserve includes all current and prior retained profits and losses. Included in this balance is £4,191,752 of goodwill not amortised, created by the revaluation of an investment, and is not distributable.

23. CAPITAL COMMITMENTS

At 31 December 2021 the Group and Company had capital commitments as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Contracted for but not provided in these financial statements	<u>275,519</u>	<u>999,831</u>	<u>275,519</u>	<u>999,831</u>

24. PENSION COMMITMENTS

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £350,265 (2020: £340,775). Contributions totalling £47,947 (2020: £44,215) were payable to the fund at the balance sheet date and are included in creditors.

25. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	1,280,897	1,357,446	1,280,897	1,357,446
Later than 1 year and not later than 5 years	2,355,071	2,998,876	2,355,071	2,998,876
Later than 5 years	853,776	1,062,864	853,776	1,062,864
	<u>4,489,744</u>	<u>5,419,186</u>	<u>4,489,744</u>	<u>5,419,186</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

26. RELATED PARTY TRANSACTIONS

Under FRS 102 this company is exempt from the requirements to disclose transactions between 100% members of the group.

Purchases totalling £43,915 (2020: £139,975) were made from a company controlled by a Director of Burts Snacks Limited. At the year end, Burts Snacks Limited owed the company £5,905 (2020: £38,739).

Purchases totalling £524,314 (2020: £388,638) were made from a corporate shareholder and sales totalling £1,690 (2020: £2,942) were made to the same corporate shareholder. During the year, the corporate shareholder provided loan finance to the company totalling £Nil (2020: £4,000,000). At the year end, Burts Snacks Limited owed the company £13,659,196 (2020: £16,293,282).

During the year, sister companies to a corporate shareholder provided short term loan finance to the company totalling £2,000,000 (2020: £Nil). At the year end, Burts Snacks Limited owed these companies £1,472,912 (2020: £1,287,637). The companies are 100% owned by the parent company of the corporate shareholder.

Purchases totalling £15,000 (2020: £36,000) were made from sole trade businesses of the Directors. At the year end, Burts Snacks Limited owed the businesses £Nil (2020: £9,300).

Sales totalling £906,681 (2020: £667,680) and purchases totalling £12,500 (2020: £Nil) were made from companies that are controlled by a Director of Burts Snacks Limited. At the year end, the companies owed Burts Snacks Limited £64,606 (2020: £29,982).

Key Management Personnel

The directors, who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be the key management personnel. Total compensation (including remuneration and employers pension contributions) in respect of these individuals is detailed in note 9.

27. CONTROLLING PARTY

The company was under the control of Andrea Holdings S.A. (a company registered in Liechtenstein) at the year end by virtue of their majority shareholding.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.