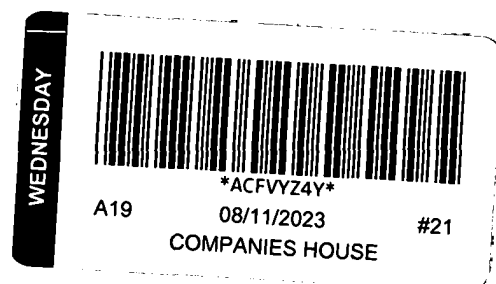


Registered number: 02665660

## **BURTS SNACKS LIMITED**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**



# BURTS SNACKS LIMITED

## COMPANY INFORMATION

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### DIRECTORS

J Patel (Chairman) (resigned 2 March 2023)  
D Nairn (resigned 2 March 2023)  
M Cosby (resigned 2 March 2023)  
T Kelly (resigned 2 March 2023)  
J Joseph (resigned 2 March 2023)  
Y Patel (resigned 2 March 2023)  
D McNulty (resigned 2 March 2023)  
E Lecomte (appointed 2 March 2023)

### COMPANY SECRETARY

D Nairn (resigned 2 March 2023)

### REGISTERED NUMBER

02665660

### REGISTERED OFFICE

308-310 Elveden Road  
London  
NW10 7ST

### TRADING ADDRESS

The Klamphouse  
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

## **BURTS SNACKS LIMITED**

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## **BURTS SNACKS LIMITED**

### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **BUSINESS REVIEW**

2022 presented a number of significant challenges, not just to our business but to the wider global economy. The war in Ukraine meant that we had to adapt our procurement strategy, in particular around supply of cooking oils. We had to react to secure our margins as rising inflation put pressure on our cost base. Towards the end of the year we also started to feel the effect of the poor potato harvest.

Despite these factors the business continued to grow both sales and profit. Top line sales of £87.6m (£67.9m in 2021), representing year-on-year growth of 29%, was delivered across all business segments. The successful re-launch of the Burts brand in the second quarter has opened up new market opportunities for us. Our core private label accounts continued to deliver growth as cost-conscious consumers sought out premium quality products at affordable prices. We were also able to react quickly to support our long-standing co-manufacturing partners with additional volumes.

The inflationary environment meant that we were obliged to pass on costs to our customers in order to protect our margins. Throughout the year, however, we worked with our supplier base to mitigate these on-costs and a number of successful cost reduction initiatives, as well as tight control of overheads, allowed us to minimize the overall impact.

Over recent years the business has invested heavily in production capability, cost reduction projects and regulatory compliance. In 2022 we were able to start to unlock the value of this continued investment allowing us to achieve sales growth of 29%. The current level of profitability is now sustainable and will ensure that we can continue to re-invest to support the growth ambitions of our customers as well as taking advantage of additional market opportunities.

Finally, on 8th February 2023 we were delighted to announce the acquisition of 100% of Burts Snacks by Europe Snacks, a leading European producer of savoury snacks for third party brands. Europe Snacks had acquired Kolak Snack Foods in 2016 and the combination of the two companies in the UK will enable the Group to better serve existing clients and unlock growth through a wider offering of delicious snacking products and a market leading innovation pipeline. Europe Snacks and Burts combined manufacturing and supply chains will enable the Group to invest further in additional capacity and service excellence.

#### **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 has affected food supply chains across the globe and we work 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, volumes and net profit as our primary financial KPIs.

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**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.

**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 Group 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.

The business continues to work on innovative projects to reduce waste and emissions as well as improving quality and service. Our new direct-from-farm initiative has meant that potatoes supplied to our Plymouth facility are sourced from growers within a 70-mile radius of the plant. We are also implementing a project to increase the number of cases per vehicle movement which will reduce the number of trucks we send out onto the road.

We recognise that any form of discrimination is unacceptable and equality of opportunity has been a long standing feature of our employment practices and procedures, as reflected in our formal equal opportunities policy. Breaches of the policy will lead to disciplinary proceedings. 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.



**E Lecomte**  
Director

Date: 12 October 2023

## **BURTS SNACKS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present their report and the financial statements for the year ended 31 December 2022.

#### **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 £3,614,632 (2021: £1,151,420).

No dividend is recommended.

#### **DIRECTORS**

The directors who served during the year were:

J Patel (Chairman) (resigned 2 March 2023)  
D Nairn (resigned 2 March 2023)  
M Cosby (resigned 2 March 2023)  
T Kelly (resigned 2 March 2023)  
J Joseph (resigned 2 March 2023)  
Y Patel (resigned 2 March 2023)  
D McNulty (resigned 2 March 2023)

#### **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 2022 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 optimising 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

#### **FUTURE DEVELOPMENTS**

Our business has been on a growth journey for many years and the acquisition by Europe Snacks will allow us to continue and accelerate this.

Regarding the acquisition, Etienne Lecomte, CEO of Europe Snacks, has said "Within a highly uncertain economic context, it is key to reach a size that allows us to keep investing in our people and in our factories. Thanks to the trust of our shareholders, it has been made possible and I am very proud to welcome the Burts team to the group."

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.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**ENGAGEMENT WITH EMPLOYEES**

With 390 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 Group has a strong focus on health and safety and Europe Snacks are committed to continued investment in this area. Training is given to staff either face to face or via the Group'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.

**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.

**DISABLED EMPLOYEES**

The Group is an equal opportunity employer and is committed to a policy of treating all its employees, job applicants and apprentices equally. The Group will avoid unlawful discrimination in all aspects of employment and training including recruitment and selection, promotion, transfer, opportunities for training, pay and benefits, other terms of employment, discipline, or selection for redundancy and dismissal.

It is the policy of the Group to take all reasonable steps to employ and promote employees based on their abilities and qualifications without regard to age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including colour, nationality and ethnic or national origins), religion or belief, sex and/or sexual orientation. In this policy, these are known as the 'protected characteristics'.

## BURTS SNACKS LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

#### 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 table below provides a summary of the data relating to energy use, associated greenhouse emissions and intensity ratios collated for the year end 31 December 2022.

UK GHG Emissions & Energy Financial Year ending 31 <sup>st</sup> December 2022			
		tonnes CO <sub>2</sub> e	kWh
Company car fuel	Scope 1	-	
Natural Gas	Scope 1	6,485.90	35,274,330
Electricity	Scope2	2,275.28	6,738,132
T&D- UK electricity	Scope 3	119.20	6,738,132
<b>Total</b>		<b>8,880.38</b>	<b>48,750,593.11</b>
Intensity Ratio	Turnover	10.13 tonnes of CO <sub>2</sub> e emitted per £100K	

UK GHG Emissions & Energy Financial Year ending 31 <sup>st</sup> December 2021			
		tonnes CO <sub>2</sub> 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
<b>Total</b>		<b>6,112.41</b>	<b>30,928,670.40</b>
Intensity Ratio	Turnover	8.85 tonnes of CO <sub>2</sub> e emitted per £100K	

#### Methodology

Greenhouse gas emissions are reported in gross tonnes CO<sub>2</sub>e 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). 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).

#### Energy efficiency action

Although there is an increase in CO<sub>2</sub>e for the 2022 reporting period this can be credited to the improvements in data capture giving a more accurate figure for the emissions of the Group. 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. The Group has also successfully worked with customers to make sure that delivery loading is maximised for each shipment reducing the number of individual truck deliveries required per tonne output.



## **BURTS SNACKS LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **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**

As noted in the Group's strategic report, on 8 February 2023, the Directors were delighted to announce the acquisition of 100% of Burts Snacks by Europe Snacks, a leading European producer of savoury snacks for third party brands. The sale completed on 2 March 2023.

On 2 March 2023, the nominal value of shares changed from £0.01 to £0.001 for all shares in the Company. On the same date, all shares were redesignated as ordinary shares.

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



**E Lecomte**  
Director

Date: 12 October 2023

308-310 Elveden Road  
London  
NW10 7ST

## **BURTS SNACKS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

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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.

## **BURTS SNACKS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BURTS SNACKS LIMITED**

---

#### **OPINION**

We have audited the financial statements of Burt's Snacks Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, 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 2022 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.

## **BURTS SNACKS LIMITED**

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

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#### **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.

**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 data protection regulations, licensing regulations, occupational health and safety regulations, employment law and food safety legislation.

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.

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,

## BURTS SNACKS LIMITED

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

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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](http://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

13 October 2023

**BURTS SNACKS LIMITED****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	87,668,818	67,977,443
Cost of sales		(69,469,438)	(54,508,234)
<b>GROSS PROFIT</b>		<b>18,199,380</b>	<b>13,469,209</b>
Administrative expenses		(13,366,601)	(11,174,451)
Other operating income	5	-	28,279
<b>OPERATING PROFIT</b>		<b>4,832,779</b>	<b>2,323,037</b>
Amounts written off investments		(2)	-
Interest payable and similar expenses		(1,218,145)	(1,171,617)
<b>PROFIT BEFORE TAXATION</b>		<b>3,614,632</b>	<b>1,151,420</b>
Tax on profit	11	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>3,614,632</b>	<b>1,151,420</b>
Currency translation differences		(640)	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(640)</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>3,613,992</b>	<b>1,151,420</b>
<b>PROFIT FOR THE YEAR ATTRIBUTABLE TO:</b>			
Owners of the parent Company		3,614,632	1,151,420
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:</b>			
Owners of the parent Company		3,613,992	1,151,420

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated statement of comprehensive income.

The notes on pages 19 to 37 form part of these financial statements.

**BURTS SNACKS LIMITED**  
**REGISTERED NUMBER:02665660**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>FIXED ASSETS</b>			
Intangible assets	12	2,896,328	3,194,237
Tangible assets	13	19,263,269	16,404,875
		<u>22,159,597</u>	<u>19,599,112</u>
<b>CURRENT ASSETS</b>			
Stocks	15	6,480,257	4,495,282
Debtors	16	17,177,030	12,228,397
Cash at bank and in hand	17	875,724	664,564
		<u>24,533,011</u>	<u>17,388,243</u>
Creditors: amounts falling due within one year	18	(37,951,972)	(30,538,484)
<b>NET CURRENT LIABILITIES</b>		<u>(13,418,961)</u>	<u>(13,150,241)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>8,740,636</u>	<u>6,448,871</u>
Creditors: amounts falling due after more than one year	19	(6,899,280)	(8,220,407)
<b>NET ASSETS/(LIABILITIES)</b>		<u><u>1,841,356</u></u>	<u><u>(1,771,536)</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	21	238,094	239,194
Profit and loss account	22	1,603,262	(2,010,730)
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY</b>		<u><u>1,841,356</u></u>	<u><u>(1,771,536)</u></u>

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



**E Lecomte**  
Director

Date: 12 October 2023

The notes on pages 19 to 37 form part of these financial statements.



**BURTS SNACKS LIMITED**  
**REGISTERED NUMBER:02665660**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>FIXED ASSETS</b>			
Intangible assets	12	2,896,328	3,194,237
Tangible assets	13	19,263,269	16,404,875
Investments	14	191	193
		<u>22,159,788</u>	<u>19,599,305</u>
<b>CURRENT ASSETS</b>			
Stocks	15	6,480,257	4,495,282
Debtors	16	17,079,023	12,255,878
Cash at bank and in hand	17	831,180	650,411
		<u>24,390,460</u>	<u>17,401,571</u>
Creditors: amounts falling due within one year	18	(37,783,717)	(30,536,574)
<b>NET CURRENT LIABILITIES</b>		<u>(13,393,257)</u>	<u>(13,135,003)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>8,766,531</u>	<u>6,464,302</u>
Creditors: amounts falling due after more than one year	19	(6,899,280)	(8,220,407)
<b>NET ASSETS/(LIABILITIES)</b>		<u><u>1,867,251</u></u>	<u><u>(1,756,105)</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	21	238,094	239,194
Profit and loss account	22	1,629,157	(1,995,299)
		<u>1,867,251</u>	<u>(1,756,105)</u>

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



**E Lecomte**  
Director

Date: 12 October 2023

The notes on pages 19 to 37 form part of these financial statements.

**BURTS SNACKS LIMITED****CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 January 2021</b>	<b>243,384</b>	<b>(3,162,150)</b>	<b>(2,918,766)</b>
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	1,151,420	1,151,420
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>-</b>	<b>1,151,420</b>	<b>1,151,420</b>
<b>CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS</b>			
Shares issued during the year	1,250	-	1,250
Shares cancelled during the year	(5,440)	-	(5,440)
<b>TOTAL TRANSACTIONS WITH OWNERS</b>	<b>(4,190)</b>	<b>-</b>	<b>(4,190)</b>
<b>At 1 January 2022</b>	<b>239,194</b>	<b>(2,010,730)</b>	<b>(1,771,536)</b>
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	3,614,632	3,614,632
Currency translation differences	-	(640)	(640)
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>-</b>	<b>(640)</b>	<b>(640)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>-</b>	<b>3,613,992</b>	<b>3,613,992</b>
<b>CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS</b>			
Shares cancelled during the year	(1,100)	-	(1,100)
<b>TOTAL TRANSACTIONS WITH OWNERS</b>	<b>(1,100)</b>	<b>-</b>	<b>(1,100)</b>
<b>AT 31 DECEMBER 2022</b>	<b>238,094</b>	<b>1,603,262</b>	<b>1,841,356</b>

The notes on pages 19 to 37 form part of these financial statements.

**BURTS SNACKS LIMITED****COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Total equity £</b>
<b>At 1 January 2021</b>	<b>243,384</b>	<b>(3,160,482)</b>	<b>(2,917,098)</b>
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	1,165,183	1,165,183
	<u>-</u>	<u>1,165,183</u>	<u>1,165,183</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			
<b>CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS</b>			
Shares issued during the year	1,250	-	1,250
Shares cancelled during the year	(5,440)	-	(5,440)
	<u>(4,190)</u>	<u>-</u>	<u>(4,190)</u>
<b>TOTAL TRANSACTIONS WITH OWNERS</b>			
	<u>239,194</u>	<u>(1,995,299)</u>	<u>(1,756,105)</u>
<b>At 1 January 2022</b>			
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	3,624,456	3,624,456
<b>CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS</b>			
Shares cancelled during the year	(1,100)	-	(1,100)
	<u>(1,100)</u>	<u>-</u>	<u>(1,100)</u>
<b>TOTAL TRANSACTIONS WITH OWNERS</b>			
	<u>238,094</u>	<u>1,629,157</u>	<u>1,867,251</u>
<b>AT 31 DECEMBER 2022</b>			

The notes on pages 19 to 37 form part of these financial statements.

**BURTS SNACKS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the financial year	3,614,632	1,151,420
<b>ADJUSTMENTS FOR:</b>		
Amortisation of intangible assets	434,050	435,680
Depreciation of tangible assets	2,439,292	2,462,883
Loss on disposal of tangible assets	119,571	212,884
Interest paid	1,218,145	1,171,617
(Increase) in stocks	(1,984,975)	(1,298,880)
(Increase) in debtors	(4,948,633)	(1,092,088)
Increase in creditors	8,395,941	769,902
(Decrease) in amounts owed to participating interests	(750,000)	(2,446,073)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>8,538,023</b>	<b>1,367,345</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Purchase of tangible fixed assets	(5,554,038)	(2,545,842)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(5,554,038)</b>	<b>(2,545,842)</b>
<b>CASH FLOWS (USED IN) / FROM FINANCING ACTIVITIES</b>		
Cancellation of ordinary shares	-	(4,190)
New secured bank loans	-	6,000,000
Repayment of bank loans	(1,321,127)	(3,243,848)
Interest paid	(1,451,698)	(1,171,617)
<b>NET CASH (USED IN) / FROM FINANCING ACTIVITIES</b>	<b>(2,772,825)</b>	<b>1,580,345</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>211,160</b>	<b>401,848</b>
Cash and cash equivalents at beginning of year	664,564	262,716
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b>875,724</b>	<b>664,564</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:</b>		
Cash at bank and in hand	875,724	664,564
	<b>875,724</b>	<b>664,564</b>

The notes on pages 19 to 37 form part of these financial statements.

**BURTS SNACKS LIMITED****CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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	At 1 January 2022 £	Cash flows £	Other non- cash changes £	At 31 December 2022 £
Cash at bank and in hand	664,564	211,160	-	875,724
Debt due after 1 year	(4,220,407)	-	1,321,127	(2,899,280)
Debt due within 1 year	(8,429,014)	(2,182,307)	(1,321,127)	(11,932,448)
	<u>(11,984,857)</u>	<u>(1,971,147)</u>	<u>-</u>	<u>(13,956,004)</u>

The notes on pages 19 to 37 form part of these financial statements.

## **BURTS SNACKS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **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 308-310 Elveden Road, London, NW10 7ST. The principal place of business is The Klamphouse, Belliver Way, Roborough, Plymouth, 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 2022, Burts Snacks Limited has net current liabilities of £13,418,961 (2021: £13,150,241). £10,148,776 (2021: £11,132,329) of this is due to related parties. Funding from related parties is shown within current liabilities and £4,000,000 (2021: £4,000,000) within non-current liabilities in line with the legal contract, however a deed of postponement is in place with Burts Snacks Limited bankers to confirm that any bank debt is repaid prior to the related party debt.

Burts Snacks Limited has made a profit of £3,614,632 (2021: £1,151,420) and has net assets at 31 December 2022 of £1,841,356 (2021: net liabilities of £1,771,536). Post acquisition, in March 2023, the shareholder loans were repaid, and the new shareholders provided equal funding, the specific terms and conditions of which are yet to be formally agreed. The new shareholders have confirmed that they will not seek repayment of either interest or capital on any of their loans in 2023 or 2024 unless such funds are clearly surplus to the requirements of Burts Snacks Limited.

This coupled with forecasted profits, cash inflows and the continued support of the shareholders is why the director considers the going concern basis of preparation to be appropriate.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**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

**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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (continued)**

**2.6 TANGIBLE FIXED ASSETS (CONTINUED)**

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
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 2022**

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**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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**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.

## BURTS SNACKS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 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 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
United Kingdom	85,348,894	65,962,471	85,348,894	65,962,471
Rest of Europe	706,626	785,112	706,626	785,112
Rest of the World	1,613,298	1,229,860	1,613,298	1,229,860
	<u>87,668,818</u>	<u>67,977,443</u>	<u>87,668,818</u>	<u>67,977,443</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

	2022 £	2021 £
Government grants receivable	-	28,279

The Group was eligible to claim funding in 2021 from government support schemes in response to COVID-19, specifically the Coronavirus Job Retention Scheme. There were no such schemes available in the current year.

**BURTS SNACKS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****6. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Depreciation on tangible fixed assets	2,439,292	2,462,883	2,439,292	2,462,883
Amortisation on intangible fixed assets	434,050	435,680	434,050	(435,680)
Defined pension contribution cost	389,944	350,265	389,944	350,265
Exchange differences	83,278	56,810	83,278	56,810
Other operating lease rentals	1,300,789	1,416,705	1,300,789	1,416,705
	<b>3,779,253</b>	<b>3,850,983</b>	<b>3,779,253</b>	<b>4,722,343</b>

**7. AUDITORS' REMUNERATION**

During the year, the Group obtained the following services from the Company's auditors and their associates:

	<b>2022 £</b>	<b>2021 £</b>
Fees payable to the Company's auditors and their associates for the audit of the consolidated and parent Company's financial statements	38,200	33,750
Fees payable to the Company's auditors and their associates in respect of:		
Taxation compliance services	4,650	4,250

**8. EMPLOYEES**

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

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Wages and salaries	10,799,743	9,885,502	10,799,743	9,885,502
Social security costs	1,139,328	913,976	1,139,328	913,976
Cost of defined contribution scheme	389,944	350,265	389,944	350,265
	<b>12,329,015</b>	<b>11,149,743</b>	<b>12,329,015</b>	<b>11,149,743</b>

**BURTS SNACKS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

	<b>Group 2022 No.</b>	<b>Group 2021 No.</b>	<b>Company 2022 No.</b>	<b>Company 2021 No.</b>
Directors	7	7	7	7
Production	317	297	317	297
Administration	49	52	49	52
	<b>373</b>	<b>356</b>	<b>373</b>	<b>356</b>

**9. DIRECTORS' REMUNERATION**

	<b>2022 £</b>	<b>2021 £</b>
Directors' emoluments	<b>493,722</b>	515,998
Group contributions to defined contribution pension schemes	<b>18,851</b>	13,513
	<b>512,573</b>	<b>529,511</b>

During the year retirement benefits were accruing to 3 directors (2021: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £176,060 (2021: £207,567).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,803 (2021: £8,590).

**10. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Bank interest payable	<b>185,767</b>	143,477	<b>185,767</b>	143,477
Loans from participating interests	<b>710,757</b>	849,298	<b>710,757</b>	849,298
Other interest payable	<b>321,621</b>	178,842	<b>321,621</b>	178,842
	<b>1,218,145</b>	<b>1,171,617</b>	<b>1,218,145</b>	<b>1,171,617</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**11. TAXATION**

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19.0% (2021: 19.0%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<b>3,614,632</b>	1,151,420
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2021: 19.0%)	<b>686,780</b>	218,770
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,114	1,051
Capital allowances for year in excess of depreciation	(173,424)	42,894
Other permanent differences	19	69
Adjustments to tax charge in respect of prior periods - deferred tax	(5,708)	438
Non-taxable income	1,867	(1,126)
Adjustment in respect of a change in tax rates	163,060	(155,894)
Deferred tax not recognised	(673,708)	(108,817)
Unrelieved loss on foreign subsidiaries	-	2,615
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<b>-</b>	<b>-</b>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

From 1 April 2023, the main rate of corporation tax will increase to 25%.

**BURTS SNACKS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****12. INTANGIBLE ASSETS****Group**

	Website £	Goodwill £	Total £
<b>COST</b>			
At 1 January 2022	58,868	6,309,486	6,368,354
Transfers	136,141	-	136,141
At 31 December 2022	195,009	6,309,486	6,504,495
<b>AMORTISATION</b>			
At 1 January 2022	53,728	3,120,389	3,174,117
Charge for the year on owned assets	4,050	430,000	434,050
At 31 December 2022	57,778	3,550,389	3,608,167
<b>NET BOOK VALUE</b>			
At 31 December 2022	137,231	2,759,097	2,896,328
At 31 December 2021	5,140	3,189,097	3,194,237

**BURTS SNACKS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****12. INTANGIBLE ASSETS (CONTINUED)****Company**

	<b>Website £</b>	<b>Goodwill £</b>	<b>Total £</b>
<b>COST</b>			
At 1 January 2022	58,868	5,550,177	5,609,045
Transfers	136,141	-	136,141
At 31 December 2022	195,009	5,550,177	5,745,186
<b>AMORTISATION</b>			
At 1 January 2022	53,728	2,361,080	2,414,808
Charge for the year	4,050	430,000	434,050
At 31 December 2022	57,778	2,791,080	2,848,858
<b>NET BOOK VALUE</b>			
At 31 December 2022	137,231	2,759,097	2,896,328
At 31 December 2021	5,140	3,189,097	3,194,237



**BURTS SNACKS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**13. TANGIBLE FIXED ASSETS**

**Group**

	Long-term leasehold property £	Plant and machinery £	Office equipment £	Computer equipment £	Assets under construction £	Total £
<b>COST</b>						
At 1 January 2022	2,332,243	26,015,047	82,823	605,237	576,476	29,611,826
Additions	38,640	93,100	-	44,952	5,377,346	5,554,038
Disposals	(28,360)	(130,387)	-	-	-	(158,747)
Transfers	574,680	1,274,823	4,405	18,793	(2,008,843)	(136,142)
At 31 December 2022	<u>2,917,203</u>	<u>27,252,583</u>	<u>87,228</u>	<u>668,982</u>	<u>3,944,979</u>	<u>34,870,975</u>
<b>DEPRECIATION</b>						
At 1 January 2022	1,132,738	11,473,764	62,394	538,055	-	13,206,951
Charge for the year on owned assets	158,023	2,207,567	2,153	71,549	-	2,439,292
Disposals	(14,423)	(24,114)	-	-	-	(38,537)
At 31 December 2022	<u>1,276,338</u>	<u>13,657,217</u>	<u>64,547</u>	<u>609,604</u>	<u>-</u>	<u>15,607,706</u>
<b>NET BOOK VALUE</b>						
At 31 December 2022	<u>1,640,865</u>	<u>13,595,366</u>	<u>22,681</u>	<u>59,378</u>	<u>3,944,979</u>	<u>19,263,269</u>
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>

**BURTS SNACKS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Company**

	Long-term leasehold property £	Plant and machinery £	Office equipment £	Computer equipment £	Assets under construction £	Total £
<b>COST</b>						
At 1 January 2022	1,928,930	22,541,672	22,752	337,831	576,476	25,407,661
Additions	38,640	93,100	-	44,952	5,377,346	5,554,038
Disposals	(28,360)	(130,387)	-	-	-	(158,747)
Transfers	574,680	1,274,823	4,405	18,793	(2,008,843)	(136,142)
At 31 December 2022	2,513,890	23,779,208	27,157	401,576	3,944,979	30,666,810
<b>DEPRECIATION</b>						
At 1 January 2022	716,769	8,094,900	2,323	188,794	-	9,002,786
Charge for the year on owned assets	158,023	2,207,567	2,153	71,549	-	2,439,292
Disposals	(14,423)	(24,114)	-	-	-	(38,537)
At 31 December 2022	860,369	10,278,353	4,476	260,343	-	11,403,541
<b>NET BOOK VALUE</b>						
At 31 December 2022	1,653,521	13,500,855	22,681	141,233	3,944,979	19,263,269
At 31 December 2021	1,212,161	14,446,772	20,429	149,037	576,476	16,404,875

**BURTS SNACKS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****14. FIXED ASSET INVESTMENTS****Company**

	<b>Investments in subsidiary companies £</b>
<b>COST</b>	
At 1 January 2022	<b>193</b>
Disposals	<b>(2)</b>
At 31 December 2022	<b>191</b>
<b>NET BOOK VALUE</b>	
At 31 December 2022	<b>191</b>
At 31 December 2021	<b>193</b>

**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Burts Chips Limited	308-310 Elveden Road, London, NW10 7ST	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%

Savoury & Sweet UK Topco Limited and Savoury & Sweet UK Bidco Limited were dissolved on 19 April 2022 and are therefore no longer part of the Group.

**BURTS SNACKS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****14. FIXED ASSET INVESTMENTS (CONTINUED)****SUBSIDIARY UNDERTAKINGS (CONTINUED)**

The aggregate of the share capital and reserves as at 31 December 2022 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 Ltd	1,000	-
Savoury & Sweet Snack Foods Ltd	1	-
Burts Snacks IE Limited	(26,805)	(9,824)

**15. STOCKS**

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Raw materials and consumables	4,335,971	3,171,461	4,335,971	3,171,461
Finished goods and goods for resale	2,144,286	1,323,821	2,144,286	1,323,821
	<u>6,480,257</u>	<u>4,495,282</u>	<u>6,480,257</u>	<u>4,495,282</u>

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

**16. DEBTORS**

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	15,306,206	10,629,350	15,193,611	10,470,877
Amounts owed by group undertakings	-	-	14,588	191,181
Other debtors	340,988	190,453	340,988	185,226
Prepayments and accrued income	1,529,836	1,408,594	1,529,836	1,408,594
	<u>17,177,030</u>	<u>12,228,397</u>	<u>17,079,023</u>	<u>12,255,878</u>

**BURTS SNACKS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****17. CASH AND CASH EQUIVALENTS**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Cash at bank and in hand	<b>875,724</b>	664,564	<b>831,180</b>	650,411

**18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Bank loans	<b>1,199,113</b>	1,199,113	<b>1,199,113</b>	1,199,113
Trade creditors	<b>11,583,698</b>	7,600,128	<b>11,424,952</b>	7,600,128
Invoice discounting	<b>10,733,335</b>	7,229,901	<b>10,733,335</b>	7,229,901
Amounts owed to other participating interests	<b>10,148,776</b>	11,132,329	<b>10,148,776</b>	11,132,329
Other taxation and social security	<b>2,260,290</b>	1,640,867	<b>2,250,781</b>	1,640,867
Other creditors	<b>71,958</b>	51,718	<b>71,958</b>	51,808
Accruals and deferred income	<b>1,954,802</b>	1,684,428	<b>1,954,802</b>	1,682,428
	<b>37,951,972</b>	30,538,484	<b>37,783,717</b>	30,536,574

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 £5,500,000 at an interest rate of 7%, and interest free loans of £4,077,993. The loans are repayable on demand.

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

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Bank loans	<b>2,899,280</b>	4,220,407	<b>2,899,280</b>	4,220,407
Amounts owed to other participating interests	<b>4,000,000</b>	4,000,000	<b>4,000,000</b>	4,000,000
	<b>6,899,280</b>	8,220,407	<b>6,899,280</b>	8,220,407

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.

**BURTS SNACKS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****20. LOANS**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
<b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>				
Bank loans	<b>1,199,113</b>	1,199,113	<b>1,199,113</b>	1,199,113
<b>AMOUNTS FALLING DUE 1-2 YEARS</b>				
Bank loans	<b>1,200,000</b>	1,200,000	<b>1,200,000</b>	1,200,000
<b>AMOUNTS FALLING DUE 2-5 YEARS</b>				
Bank loans	<b>1,699,280</b>	3,020,407	<b>1,699,280</b>	3,020,407
	<b>4,098,393</b>	5,419,520	<b>4,098,393</b>	5,419,520

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**

	<b>2022 £</b>	<b>2021 £</b>
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
16,264,614 (2021: 16,264,614) A ordinary shares of £0.010 each	<b>162,646</b>	162,646
4,947,000 (2021: 4,947,000) B ordinary shares of £0.010 each	<b>49,470</b>	49,470
227,827 (2021: 227,827) C ordinary shares of £0.010 each	<b>2,278</b>	2,278
2,160,000 (2021: 2,160,000) D1 growth shares of £0.010 each	<b>21,600</b>	21,600
2,070,000 (2021: 2,070,000) D2 growth shares of £0.001 each	<b>2,070</b>	2,070
30,000 (2021: 1,130,000) D3 growth shares of £0.001 each	<b>30</b>	1,130
	<b>238,094</b>	239,194

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, 110,000 D3 growth shares with a nominal value of £0.001 were repurchased and cancelled by the Company.

Post year end, changes have been made to the nominal value and designation of shares. Details of which are in note 27.

## BURTS SNACKS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 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 2022 the Group and Company had capital commitments as follows:

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Contracted for but not provided in these financial statements	<b>568,609</b>	<b>275,519</b>	<b>568,609</b>	<b>275,519</b>

#### 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 £389,944 (2021: £350,265). Contributions totalling £56,883 (2021: £47,947) were payable to the fund at the balance sheet date and are included in creditors.

#### 25. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Not later than 1 year	<b>1,125,723</b>	<b>1,280,897</b>	<b>1,125,723</b>	<b>1,280,897</b>
Later than 1 year and not later than 5 years	<b>1,670,128</b>	<b>2,355,071</b>	<b>1,670,128</b>	<b>2,355,071</b>
Later than 5 years	<b>644,688</b>	<b>853,776</b>	<b>644,688</b>	<b>853,776</b>
	<b>3,440,539</b>	<b>4,489,744</b>	<b>3,440,539</b>	<b>4,489,744</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**26. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption under Section 33 of FRS 102 and has not reported details of transactions or balances with other wholly-owned companies.

Purchases totalling £2,249 (2021: £43,915) were made from a company controlled by a Director of Burts Snacks Limited. At the year end, Burts Snacks Limited owed the company £Nil (2021: £5,905).

Purchases totalling £831,250 (2021: £524,314) were made from a corporate shareholder and sales totalling £5,741 (2021: £1,690) were made to the same corporate shareholder. At the year end, Burts Snacks Limited owed the company £13,568,830 (2021: £13,659,196).

During the year, sister companies to a corporate shareholder provided short term loan finance to the company totalling £Nil (2021: £2,000,000). At the year end, Burts Snacks Limited owed these companies £901,774 (2021: £1,472,912). The companies are 100% owned by the parent company of the corporate shareholder.

Purchases totalling £Nil (2021: £15,000) were made from sole trade businesses of the Directors. At the year end, Burts Snacks Limited owed the businesses £Nil (2021: £Nil).

Sales totalling £1,087,322 (2021: £906,681) and purchases totalling £50,405 (2021: £12,500) were made from companies that are controlled by a Director of Burts Snacks Limited. At the year end, the companies owed Burts Snacks Limited £106,231 (2021: £64,606).

**Key Management Personnel**

The directors, who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be the key management personnel. Total compensation (including remuneration and employers pension contributions) in respect of these individuals for the year was £788,944 to 10 personnel (2021: £553,136 for 7 personnel).

**27. POST BALANCE SHEET EVENTS**

As noted in the Directors' report, on 8 February 2023, the Directors were delighted to announce the acquisition of 100% of Burts Snacks by Europe Snacks, a leading European producer of savoury snacks for third party brands. The sale completed on 2 March 2023.

On 2 March 2023, the nominal value of shares changed from £0.01 to £0.001 for all shares in the Company. On the same date, all shares were redesignated as ordinary shares.

**28. 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.

The controlling party has changed since the year end as detailed in note 27.