

BerryWorld

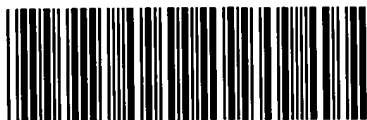
BerryWorld Limited

Annual Report and financial statements

Registered number: 02864233

31 December 2022

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Company Information

Directors

A J Aburrow
R C A Dawson
J Fallowfield-Smith
D J Gray
T D B Newton
A J Olins
A L Olins

Registered number

02864233

Registered office

The Henley Building
Newtown Road
Henley on Thames
Oxfordshire
RG9 1HG

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
40, Clarendon Road
Watford
WD17 1JJ

Bankers

Lloyds Banking Group plc
25 Gresham Street
London
EC2V 7HN

Leumi UK Group Ltd T/A Leumi ABL
1 Angel Court
12th Floor
London
EC2R 7HJ

Strategic Report

The Directors present their Strategic Report for the year ended 31 December 2022.

Principal activities

The Company's principal activity is the marketing and supply of soft fruit to the UK, Continental Europe and the Middle East.

Business review

Turnover increased to £278.8 million in 2022 (2021: £275.6 million). This increase is primarily attributable to a recovery in our prepared fruit division as COVID-19 restrictions were lifted.

The Company's marketing division, BerryWorld UK, has again seen strong performance in its proprietary blueberries and raspberries grown in both the Northern and Southern hemispheres. These varieties continue to receive widespread customer and consumer approval. Total sales for the division fell in 2022, reflective of the challenging climatic conditions experienced in several geographic regions and continuing economic uncertainty in the UK.

The Company's varietal division, BerryWorld Varieties, has continued to add value to the wider BerryWorld business, through delivery of improved plant quality and increasing plant sales to the BerryWorld Group's grower base and investing in genetic programmes to secure the future of the Company.

PrepWorld UK, the Company's prepared fruit division, had increased sales reflecting a recovery in demand for 'food on the go' products as lockdowns related to COVID were lifted. Several new product lines were launched during the year and the Company continues to see significant potential in the prepared fruit division with further expansion being facilitated through the opening of new state of the art facility in mid-2022.

The Company's gross margin increased to 6.8% (2021: 5.4%) reflecting improved product mix and improved trading conditions post COVID-19 across all divisions. Administrative costs have increased following a return to business as usual after the COVID-19 pandemic, and owing to the impact of the restructuring of the wider Group to better reflect its operating model and to align the Group for anticipated growth in 2023 and beyond. The Company's net asset position remains strong at £13.6 million (2021: £26.8 million). The decrease from 2021 relates to the accrual for the full and final settlement of the legal case which occurred in 2023.

The Board wishes to acknowledge the enthusiasm and contribution made by all its staff in achieving the result for 2022.

Corporate activities

In May 2023, the Company made a full and final settlement of a legal case which has been proceeding since February 2021. This was funded by the parent Company, BerryWorld Group Holdings Limited. The settlement amount has been recognised in the 2022 Balance Sheet as an adjusting Post Balance Sheet Event – see note 28.

In May 2023, the Company acquired the final 25% minority share in BerryWorld (SA) (Pty) Limited to take the Company's shareholding to 100%.

Future outlook

The last remaining legal restrictions associated with the COVID-19 pandemic were lifted in early 2021, with the business experiencing negligible residual impacts during 2022. The nature of the Company's products are such that, despite ongoing pressure on household budgets, consumers continue to place importance on the consumption of high quality fresh fruit. As such, management consider that the Company remains well placed for growth in 2023 and beyond.

There are no direct sales or credit exposures to Russia or Ukraine and the Company is not aware of any indirect exposures in the supply chains. There has not been any material impact from increased produce into our markets which would have been sold in the region.

Strategic Report (continued)

Future outlook (continued)

The Directors have considered the forward financial position of the Company, including detailed financial models to December 2024. On the basis of these forecasts, the Directors are confident that we currently have sufficient financial resources available to continue operating for the foreseeable future. Post year end, the Company paid the full and final settlement of the legal case, see note 28. This was funded by the parent Company, BerryWorld Group Holdings Limited.

Key performance indicators

Annual budgets and longer-term financial plans are developed by the Directors to target improved business performance. The Directors review the performance of all aspects of the business through comprehensive monthly reviews, comparing actual results against budgeted expectations and prior year achievements. Results are challenged to ensure performance is maximised. Particular emphasis is placed on monitoring turnover, operating costs and gross margin as well as investment performance.

Managing risk

There are a number of potential risks and uncertainties, which could have a material impact on the Company's long-term performance and cause actual results to differ materially from expected and historical results. The risk management process seeks to enable the early identification, evaluation and effective management of the key risks facing the businesses at an operational level and to operate internal controls that adequately mitigate these risks.

The Directors have identified the following principal risks and uncertainties that could have the most significant impact on the Company's value generation:

Risk area	Nature of risk and possible repercussion	Mitigation
Operational risk:		
State of the economy	The fragility of growth in the economies in which the Company operates may adversely impact sales or sales mix and, ultimately, lower profitability and cash flow. The ongoing consequences of the pandemic, geo-political and economic uncertainties (both national and international) and the resultant cost of living crisis, are combining to generate difficult and unpredictable trading conditions. The UK's decision to leave the European Union has had an immaterial impact.	Although the Company cannot directly influence the general economic conditions or consumer spending, the range of products across the Company offers affordable choice to most socio-economic groups thus covering any changes to consumer and market trends. The Company's operational capability enables us to adapt quickly to changing consumer trends.
Customer risk	The loss of a key customer.	Demand typically outstrips supply in the soft fruit market minimising the risk that loss of business has on the Company. Through scale, investment in the supply chain and development of proprietary varieties BerryWorld Limited has positioned itself strongly in the market. Focusing on category management and year round supply has given the business a competitive edge.

Strategic Report (continued)

Managing risk (continued)

Litigation risk	The Company is from time to time party to legal proceedings and claims that arise in the ordinary course of business. Please see note 24 for details of current litigation.	The Company has systems in place to manage the impact of such litigation. The Company regularly reviews all legal risks and takes steps to both monitor legal risks and, where appropriate, engage legal representation.
Product safety and quality	A breach of food safety legislation may lead to reputational damage and regulatory penalties, including restrictions on operations, damages or fines.	The safety and integrity of our products are managed throughout the supply chain. Product safety is put before economic considerations. Our businesses employ quality control specialists and operate strict policies within an organisational culture of hygiene and product safety to ensure that consistently high standards are maintained in our operations and in the handling and sourcing of raw materials. All sites operate food safety systems that are regularly reviewed to ensure they remain effective, including continuing compliance with all regulatory requirements for food hygiene and safety.
Workplace health and safety	Our prepared fruit sites by their nature have the potential for injuries and accidents to employees, contractors and visitors.	Safety is the number one priority for our businesses with active endorsement and accountability from the managing directors of each business. Our Health and Safety Policy and practices are firmly embedded in each business supporting a strong ethos of workplace safety. The Argent Foods Limited group's Health & Safety Officer conducts audits to verify implementation and to support continuous improvement. Best practice safety and occupational health training is provided across the businesses.
Price and supply of raw materials	The price and supply of raw materials is largely influenced by the environment, including those noted in the 'state of the economy' risk section, in which the product originates. Changes in price would impact the core profitability of the Company and any related shortage in supply will impact the business' ability to maintain its service levels to customers.	The Company continues to plan to recover rising costs through both pricing and efficiency improvements, new product development and continued investment in new varieties. The Company's investment in its supply chain, proprietary varieties, and close working relationships with growers helps to improve yields. This year we have continued to invest further in fruit supply and the grower network. The Company maintains tight control of overhead costs to help mitigate the need to pass on increased raw material costs to its customers. The Company maintains a high level of expertise in its buying teams, enabling it to monitor raw material sources on a global basis.

Strategic Report (continued)

Managing risk (continued)

Quality of raw materials	The Company could be negatively impacted should it be supplied with raw materials which do not meet the Company's high standards.	The Company continues to work closely with its suppliers to certify that the raw materials sourced are of the highest quality. The Company has exclusive access to leading soft fruit varieties and has developed its own varieties, ensuring their quality. BerryWorld Varieties has been created to ensure delivery of quality plants. The Company ensures traceability of its produce in order to monitor the quality and derivation of its raw materials.
Climate and sustainability	An inability to reduce the impact of our business on the environment or manage the consequences of climate change on our business would fail to meet the expectations of our customers.	The Group operates in many geographies and, via our well established grower network, is well placed to adapt to rising temperatures. Each division in the Company has its own sustainability team which meet regularly. The Group is focused on reducing environmental impact through improved growing techniques, tailored packaging innovations, supply optimisation, monitoring trends, empowering our people and ensuring proper working conditions.
Financial risk:		
Movement in interest rates and exchange rates	The Company borrows funds to finance working capital and capital investment. Bank borrowings vary considerably throughout the year. Such borrowings have variable interest rates based upon banks' base rates and are, therefore, subject to fluctuations in such rates, including the current increasing rates. The Company is exposed to foreign currency risk on purchases of imported materials.	Interest rate and foreign currency risks are managed using effective hedging policies. The Argent Foods Limited group hedges interest rate exposures on fixed term debt by the use of interest rate swaps on a proportion of fixed term borrowings. Businesses impacted by exchange rate volatility, specifically those purchasing in one currency and selling in another, constantly review their currency related exposures.
Liquidity	The Company needs access to funding for current business and future growth.	The Company has committed bank facilities available to meet its long-term capital and funding obligations and to meet any unforeseen obligations and opportunities. Banks are selected for their credit status, global reach and ability to meet the businesses' day-to-day banking requirements. Debt is managed centrally and appropriate headroom is maintained.

Strategic Report (continued)

Managing risk (continued)

Human Resources:

People	The Company is dependent on continuing to attract, retain, develop and motivate the best people with the right capabilities at all levels in the organisation.	The Company mitigates the risk associated with loss of key personnel through succession planning, strong recruitment processes, effective incentives and ongoing training and development.
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Employees

Equal opportunities – the Company is committed to offering equal opportunities to all individuals within its businesses through recruitment, training and career development. Full and fair consideration is given to applicants with disabilities and every effort is made to give employees who become disabled while employed by the Company an opportunity for retraining.

Harassment – a zero tolerance policy exists towards all forms of harassment in the workplace. We encourage our people to report incidents of harassment to the appropriate human resources manager.

Communication – the Company places considerable value on the involvement of its staff and has continued its policy of communication, consultation and involvement. Information is provided to staff on matters which concern them and staff are consulted to obtain their views on matters which affect their interests.

Involvement – the Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and the financial and economic factors that affect the performance of the Company. This is achieved through formal and informal meetings and employees are also consulted for their views on matters affecting them. Involvement of employees in the Company's performance is encouraged through the use of bonuses based on wider company performance.

Statement by the directors in performance of their statutory duties in accordance with s172 Companies Act 2006

The Board is required to act in accordance with a general set of duties detailed in Section 172 of the UK Companies Act 2006. In the decisions taken during the year ended 31 December 2022, the Directors have acted in the way they consider, in good faith, would be most likely to promote the success of the Company and its continuing reputation for high standards of business conduct, for the benefit of its people as a whole.

The Board meet frequently throughout the year (3 meetings held in 2022). At these meetings the benefits and long-term consequences of new investments, capital expenditure over £100,000, disposals of assets, Brexit, the COVID-19 pandemic, and financing decisions are discussed and, where appropriate, approved. Our 2023–2027 strategic plan was designed to have a long-term beneficial impact on the Company and to contribute to its success. Our employees are fundamental to the delivery of our plan and we aim to be a responsible employer. The health, safety and wellbeing of our workforce is one of our primary considerations in the way we do business and regular external health and safety audits are completed.

Strategic Report (continued)

Statement by the directors in performance of their statutory duties in accordance with s172 Companies Act 2006 (continued)

Our intention is to behave responsibly and ensure that management operate the business in a responsible manner. Maintaining the Company's reputation for high standards of business conduct and relationships with customers is of vital importance. The safety and integrity of our products are managed throughout the supply chain and product safety is put before economic considerations. At customer level, the monitoring of key performance indicators, such as service levels and customer complaints, enables the business to ensure it offers excellent customer service and quality products. As the Board of Directors, our intention is to behave responsibly towards our stakeholders and treat them fairly and equally, so they benefit from the successful delivery of our plan.

Annually the Board considers and approves the Company's Modern Slavery and Human Trafficking Statement, which explains the activities we have undertaken during the year to demonstrate our commitment to seeking to ensure there is no slavery, enforced labour or human trafficking within any part of our business or in our supply chains. This can be found at our website www.berryworld.com.

On behalf of the board



A L Olins

Director

29 September 2023

The Henley Building
Newtown Road
Henley on Thames
Oxfordshire
RG9 1HG

Directors' Report

The Directors present their Annual Report and the audited financial statements for the year ended 31 December 2022.

Directors

The Directors who served throughout the year and up to the date of signing the financial statements, unless otherwise stated, were as follows:

A J Aburrow
R C A Dawson
J Fallowfield-Smith
D J Gray
T D B Newton
A J Olins
A L Olins

Items disclosed in strategic report

Details on financial instruments and the future outlook of the business can be found in the Strategic Report.

Results and dividends

Detailed results for the year are set out in the Income Statement on page 12. The loss for the financial year after tax was £5.6 million (2021: £1.7 million profit). Dividends of £7.5 million were declared on ordinary shares (2021: £nil).

Information on key performance indicators, principal risks and uncertainties and employee information can be found in the Strategic Report starting on page 2.

Statement of directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' Report (continued)

Statement of directors' responsibilities in respect of the financial statements (continued)

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

Significant events affecting the Group that have arisen between 31 December 2022 and the date of this report and that require disclosure are described in note 28.

Independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office for the coming year.

On behalf of the board



A L Olins

Director

29 September 2023

The Henley Building
Newtown Road
Henley on Thames
Oxfordshire
RG9 1HG

Independent auditors' report to the members of BerryWorld Limited

Report on the audit of the financial statements

Opinion

In our opinion, BerryWorld Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2022; the Income Statement and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Independent auditors' report to the members of BerryWorld Limited (continued)

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK corporation tax regulation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of unusual journals outside the normal course of business, significant estimates, revenue recognition journal entries in order to manipulate the Company's performance profit measures and other key performance indicators to meet remuneration targets. Audit procedures performed by the engagement team included:

- Obtaining an understanding of the legal and regulatory frameworks applicable to the Company, including those relating to the reporting framework and the relevant tax compliance regulations.
- Inquiring with management to understand how the business complies with key frameworks. These inquiries were corroborated through review of Board minutes.
- Obtaining the Company's assessment of the key fraud risks and the controls and procedures that are in operation to detect and prevent fraud.
- Our procedures involved using: Computer Assisted Audit Techniques ("CAATS") to analyse all journals to identify any unusual, unexpected or significantly material journals for specific follow up and testing. Significant accounting estimates were tested for possible management bias. As required by ISA 240, an element of unpredictability was incorporated into our audit testing.

Independent auditors' report to the members of BerryWorld Limited (continued)

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

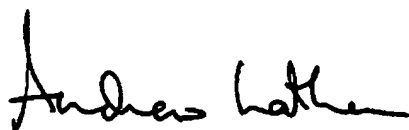
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility



Andrew Latham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford

30th September 2023

Income Statement

for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Turnover	2	278,764	275,641
Cost of sales		(259,716)	(260,628)
Gross profit		19,048	15,013
Administrative expenses:			
Before exceptional items		(18,258)	(14,385)
Exceptional items	3	(14,501)	(903)
Total administrative expenses		(32,759)	(15,288)
Other operating income	4	-	38
Loss on the sale of fixed assets		-	(5)
Operating loss		(13,711)	(242)
Income from interests in associated undertakings	7	5,368	2,064
(Loss)/profit before interest and taxation	8	(8,343)	1,822
Interest receivable and similar income		1,034	795
Interest payable and similar expenses		(1,296)	(783)
Net interest (expense)/income	9	(262)	12
(Loss)/profit before taxation		(8,605)	1,834
Tax on (loss)/profit	10	2,964	(157)
(Loss)/profit for the financial year		(5,641)	1,677

Statement of Financial Position

as at 31 December 2022

	Note	2022 £'000	2021 £'000
Non-current assets			
Intangible assets	11	1,887	2,051
Property, plant and equipment	12	12,113	5,487
Investments	13	6,285	6,288
		20,285	13,826
Current assets			
Inventories	14	1,756	2,336
Debtors (including £9,635,000 (2021: £5,363,000) due after one year)	15	66,742	66,880
Cash at bank and in hand		-	-
		68,498	69,216
Creditors: amounts falling due within one year	16	(59,567)	(45,208)
Net current assets		8,931	24,008
Total assets less current liabilities		29,216	37,834
Creditors: amounts falling due after more than one year	17	(1,158)	(10,424)
Provisions for liabilities	20	(14,413)	(590)
Net assets		13,645	26,820
Capital and reserves			
Called up share capital	23	5,300	5,300
Retained earnings		8,345	21,520
Total equity		13,645	26,820

The financial statements on pages 13 to 34 were approved by the board of directors on 29 September 2023 and were signed on its behalf by:



A J Aburrow
Director

Statement of Changes in Equity

for the year ended 31 December 2022

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2021	5,300	19,843	25,143
Profit for the financial year	-	1,677	1,677
Balance at 31 December 2021	5,300	21,520	26,820
Loss for the financial year	-	(5,641)	(5,641)
Dividends paid	-	(7,534)	(7,534)
Balance at 31 December 2022	5,300	8,345	13,645

Notes to the financial statements

for the year ended 31 December 2022

1. Accounting Policies

General information

BerryWorld Limited's ("the Company") principal activity is the marketing and supply of soft fruit to the UK, Continental Europe and the Middle East.

The Company is a private company limited by its shares and is incorporated in England, United Kingdom, registration number 02864233. The address of its registered office is The Henley Building, Newton Road, Henley on Thames, Oxfordshire, RG9 1HG.

Statement of compliance

The financial statements of BerryWorld Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Basis of preparation

The financial statements are presented in Sterling and rounded to the nearest thousand, unless stated otherwise. They are prepared on a going concern basis and under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through profit or loss.

The Directors have considered the forward financial position of the Company, including detailed financial models to December 2024. On the basis of these forecasts, the Directors are confident that the Company currently has sufficient financial resources available to meet our obligations as they fall due for a period of at least twelve months from the date of approval of these financial statements. Post year end, the Company paid the full and final settlement of the legal case, see note 28. This was funded by the parent Company, BerryWorld Group Holdings Limited. Based on the circumstances described above, the financial statements are prepared on the assumption that the entity is a going concern.

The Company is a subsidiary of Argent Foods Limited and is included in its consolidated financial statements, which are publicly available. FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. The Company has taken advantage of the following exemptions in its financial statements:

- from preparing a Statement of Cash Flows, on the basis that the Company's results are included in the Argent Foods Limited group's consolidated Statement of Cash Flows; FRS 102 p1.12(b);
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures, FRS 102 p1.12(c);
- from the key management personnel disclosure, on the basis that key management personnel and directors are the same; FRS 102 33.7A; and
- from disclosing related party transactions with other wholly owned subsidiaries of BerryWorld Group Holdings Limited as BerryWorld Limited is a wholly owned subsidiary of BerryWorld Group Holdings Limited; FRS 102 p33.1A.

Notes to the financial statements (continued)

for the year ended 31 December 2022

1. Accounting policies (continued)

Summary of significant accounting policies



Accounting policies are disclosed within each of the applicable notes to the financial statements and are designated by this box. They have been applied consistently in dealing with items which are considered material in relation to the financial statements throughout the year and preceding year.

Consolidation

The financial statements contain information about BerryWorld Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent company, Argent Foods Limited, a company registered in England and Wales.

Foreign currencies

The Company's functional and presentation currency is Pound Sterling. Foreign currency transactions are translated into the functional currency using the rate ruling at the date of transaction or at a forward rate where appropriate. 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 the Income Statement within administrative expense.

The trading results of Company undertakings are translated into Sterling at the average exchange rates for the year.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition seldom equal the actual results. The Directors do not believe there to be any significant estimates or assumptions that would have a material impact within the next financial year. Those assumptions and estimates that are deemed to have the greatest level of judgement include:

a) Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

In February 2021, proceedings were instigated in Spain against the Company. See note 24 for further details. A loan was made to the claimant of this litigation by the Company in 2017 for repayment in 2027. The amount outstanding as at 31 December 2022 was €3.6 million which is included in other debtors (see note 15). This has since been repaid by the claimant as part of the final settlement of the claim. Therefore no provision has been made against it.

Notes to the financial statements (continued)

for the year ended 31 December 2022

1. Accounting policies (continued)

Critical accounting judgements and estimation uncertainty (continued)

b) Impairment of intangible assets, investments and property, plant and equipment

The carrying amounts of the Company's intangible assets, investments and property, plant and equipment are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment charge is recognised in the Income Statement whenever the carrying amount of an asset exceeds its recoverable amount.

c) Provisions

Provision has been made for the requirement to make repairs on dilapidations under the terms of certain property leases. This requires management's best estimate of costs that will be incurred based on legislative and contractual requirements. Provisions include deferred tax liabilities. The accounting policy for deferred taxation is included in note 21. Provisions include the full and final settlement of the legal case – see note 28. This has been recognised as cost paid in June 2023.

2. Turnover



Turnover is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, it is probable that the economic benefit will flow to the Company and the amount of revenue can be measured reliably. Turnover represents the value of goods and services supplied, net of value added tax and trade discounts.

Turnover is attributable to one continuing activity, namely that of marketing and supply of soft fruit. An analysis of the geographical location of the Company's turnover is as follows:

	2022 £'000	2021 £'000
United Kingdom	259,075	255,647
Continental Europe	17,140	17,615
Rest of the World	2,549	2,379
	278,764	275,641

3. Exceptional items



Exceptional items are defined as items of income and expenditure which are material and unusual in nature and which are considered to be of such significance that they require separate disclosure on the face of the income statement.

	2022 £'000	2021 £'000
Charged in arriving at operating loss:		
Exceptional items	14,501	903
Total exceptional items	14,501	903

Exceptional costs in 2022 include costs relating to:

- Includes the full and final settlement of the legal case – see note 28.
- Legal fees associated with the claim noted in note 1 and duplicate site running costs for the PrepWorld division.
- Legal and professional fees incurred as part of a Group reorganisation

Notes to the financial statements (continued)

for the year ended 31 December 2022

4. Other operating income



Government grants are recognised in the profit and loss account when there is reasonable assurance that the entity has met the conditions attached to it and it becomes receivable.

	2022 £'000	2021 £'000
Government grants (furlough income)	-	38
	-	38

5. Directors' remuneration

	2022 £'000	2021 £'000
Emoluments	1,045	1,008
Company contributions to money purchase pension schemes	16	15
	1,061	1,023

The number of directors who:

	2022 Number	2021 Number
Are members of money purchase pension schemes	3	3

Remuneration of the highest paid director:

	2022 £'000	2021 £'000
Emoluments	432	427
Company contributions to money purchase schemes	4	4
	436	431

Not all directors are remunerated through this Company. Those that are not remunerated through this Company are remunerated through another group company. No recharge is made as the time spent in relation to this Company is not significant.

6. Employment



The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the year in which the service is received.

Further details on pension arrangements are detailed in note 22.

Notes to the financial statements (continued)

for the year ended 31 December 2022

6. Employment (continued)

The average monthly number of persons (including executive directors) employed by the Company during the year was:

	2022 Number	2021 Number
Administration	340	326
Selling and distribution	16	11
Production and manufacturing	227	263
	583	600

Their aggregate remuneration comprised:	2022 £'000	2021 £'000
Wages and salaries	22,616	21,115
Social security costs	2,358	1,997
Other pension costs (note 22)	836	512
	25,810	23,624

7. Income from interests in associated undertakings

	2022 £'000	2021 £'000
Dividends received	5,368	2,064
	5,368	2,064

The Company owns 40% of the ordinary shares in its associate, BerryWorld Plus Limited (2021: 40%). The associate is incorporated in the United Kingdom. During the year dividends of £1,416,000 (2021: £1,400,000) were received from BerryWorld Plus Limited. The address of the registered office of the associate is The Henley Building, Newton Road, Henley on Thames, Oxfordshire, RG9 1HG.

The Company owns 75% of the ordinary share capital of its subsidiary, BerryWorld (SA) (Pty) Limited (2021: 75%). The subsidiary is incorporated in South Africa. During the year dividends of £646,000 (2021: £664,000) were received from BerryWorld (SA) (Pty) Limited. The address of the registered office of the subsidiary is The Woodmill, Vredenburg Road, Stellenbosch 7600.

The Company owns 50% of the ordinary share capital of its subsidiary, BerryWorld Europe B.V. (2021: 50%). The subsidiary is incorporated in The Netherlands. During the year dividends of £3,306,000 (2021: £nil) were received from BerryWorld Europe B.V. The address of the registered office of the subsidiary is Schanseind 16, 4921 PM, Netherlands, Made.

Notes to the financial statements (continued)

for the year ended 31 December 2022

8. (Loss)/profit before interest and taxation

(Loss)/profit before interest and taxation is stated after charging/(crediting)

	2022 £'000	2021 £'000
Auditors' remuneration – audit services	109	73
(Reversal)/charge to impairment of inventory (note 14)	(117)	152
Charge to impairment of debtors (note 15)	333	196
Amortisation (note 11)	483	548
Depreciation of property, plant and equipment (note 12)		
- owned	1,134	915
- leased	147	143
Operating lease rentals		
- land and buildings	2,031	1,976
- other	258	211
Loss on disposal of fixed assets	-	5
Research and development costs	393	501
Foreign exchange loss resulting from the settlement of transactions	130	36

9. Net interest (expense)/income



Interest is recognised using the effective interest rate method. Interest receivable and similar income comprises dividends received during the accounting year and interest receivable on investments. Interest payable is recognised over the period of the principal outstanding.

	2022 £'000	2021 £'000
Interest receivable and similar income		
Bank interest receivable	9	-
Interest receivable on other loans	10	72
Interest receivable from group undertakings	1,015	723
	1,034	795
Interest payable and similar expenses		
Interest payable on overdrafts and bank loans	(898)	(514)
Finance lease interest	(9)	(13)
Finance costs on other loans	(169)	(62)
Interest payable to group undertakings	(220)	(194)
	(1,296)	(783)
Net interest (expense)/income	(262)	12

Notes to the financial statements (continued)

for the year ended 31 December 2022

10. Tax on (loss)/profit



Current tax, including UK Corporation Tax and overseas tax, is included at amounts expected to be paid (or recovered) using the tax rates and laws that have been substantively enacted by the Statement of Financial Position date. Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events have occurred at the Statement of Financial Position date that result in an obligation to pay more tax or a right to pay less tax in the future. Deferred tax assets are recognised only to the extent that they are considered recoverable in the future. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been substantively enacted by the reporting date.

The tax (credit)/charge represents:

	2022 £'000	2021 £'000
Current tax		
UK Corporation Tax on profit for the year	(74)	4
Adjustment in respect of prior years	82	2
Total current tax	8	6
Deferred tax		
Origination and reversal of timing differences	(2,972)	151
Total deferred tax (note 21)	(2,972)	151
Total tax (credit)/charge in Income Statement	(2,964)	157

Reconciliation of corporation tax rate

The tax assessed for the year is lower than (2021: lower than) the standard rate of Corporation Tax in the UK of 19.00% (2021: 19.00%). The differences are explained below:

	2022 £'000	2021 £'000
(Loss)/profit before tax	(8,605)	1,834
Profit before tax multiplied by the standard rate of Corporation Tax in the UK at 19.00% (2021: 19.00%)	(1,635)	348
Effects of:		
Expenses not deductible for tax purposes	29	79
Non-taxable income	(1,020)	(392)
Accelerated capital allowances and other timing differences	(420)	120
Adjustment in respect of prior years	82	2
Tax (credit)/charge for the year	(2,964)	157

Factors that may affect future tax charges

In the 2021 Budget, the UK Government announced that from 1 April 2023 the UK Corporation Tax rate would increase to 25%. This new law was substantively enacted on 24 May 2021.

In the Autumn Statement in November 2022, the government confirmed the increase in corporation tax rate to 25% from April 2023.

Notes to the financial statements (continued)

for the year ended 31 December 2022

11. Intangible assets



Goodwill represents the excess or deficit of the cost of businesses or shares in subsidiaries over the fair value of the separable net assets acquired. The accounting treatment of goodwill is appraised for each individual acquisition and is charged or credited to the Income Statement by equal instalments over its estimated useful economic life.

Intangible assets other than goodwill are stated at cost less accumulated amortisation and impairment charges. Amortisation is charged to the Income Statement on a straight line basis over the estimated useful lives of intangible assets from the date they are available for use.

The Company evaluates the carrying value of intangibles in each financial year to determine if there has been impairment in value, which would result in the inability to recover the carrying amount. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the Income Statement.

The estimated useful lives are generally deemed to be no longer than:

Other intangibles	–	over 5 years
Purchased goodwill	–	over 5 to 20 years

	Purchased goodwill £'000	Other intangibles £'000	Total £'000
Cost			
At 1 January 2022	2,432	2,602	5,034
Additions	-	319	319
At 31 December 2022	2,432	2,921	5,353
Accumulated amortisation			
At 1 January 2022	2,432	551	2,983
Charge for the year	-	483	483
At 31 December 2022	2,432	1,034	3,466
Net book value			
At 31 December 2022	-	1,887	1,887
At 31 December 2021	-	2,051	2,051

Other intangible asset additions relates to internally generated software.

Notes to the financial statements (continued)

for the year ended 31 December 2022

12. Property, plant and equipment



Property, plant and equipment are carried at cost less provision for impairment and depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date. The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

The charge for depreciation is calculated to write down the cost or valuation less estimated residual value of all property, plant and equipment other than freehold land by equal annual instalments over their expected useful lives as follows:

Short-term leasehold improvements	-	Straight line over the life of the lease
Plant, vehicles, fixtures and fittings	-	Over 3 to 5 years

	Short-term leasehold improvements £'000	Plants, vehicles, fixtures and fittings £'000	Total £'000
Cost			
At beginning of year	4,528	8,845	13,373
Additions	7,286	621	7,907
Disposals	(974)	(2,052)	(3,026)
Reclassification	(987)	987	-
At end of year	9,853	8,401	18,254
Accumulated depreciation			
At beginning of year	1,145	6,741	7,886
Charge for the year	353	928	1,281
Depreciation on disposals	(974)	(2,052)	(3,026)
Reclassification	(174)	174	-
At end of year	350	5,791	6,141
Net book value			
At 31 December 2022	9,503	2,610	12,113
At 31 December 2021	3,383	2,104	5,487

Included in the total net book value of plant, vehicles, fixtures and fittings is £205,000 (2021: £356,000) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these leases was £147,000 (2021: £143,000).

Notes to the financial statements (continued)

for the year ended 31 December 2022

13. Investments



Investments held as fixed assets are stated at cost less any provision for impairment in value.

	Total £'000
Subsidiary undertakings	
Cost and value	
At 1 January 2022	6,288
Disposals	(3)
At 31 December 2022	6,285

During the year, the Company disposed of its investment in BerryWorld USA Inc via a distribution in specie as part of a wider Group restructure.

The Company holds the share capital of the following companies:

Subsidiaries:	Country of incorporation	Principal activity	Class and effective percentage of shares held
BerryWorld Australia Pty Limited ¹	Australia	Soft fruit and produce	Ordinary – 51%
BerryWorld Europe B.V. ²	The Netherlands	Soft fruit and produce	Ordinary – 50%
BerryWorld France SAS ³	France	Soft fruit and produce	Ordinary – 100%
BerryWorld Iberia S.L. ⁴	Spain	Soft fruit and produce	Ordinary – 100%
BerryWorld (SA) (Pty) Limited ⁵	South Africa	Soft fruit and produce	Ordinary – 75%
BerryWorld Local (Pty) Limited ⁵	South Africa	Soft fruit and produce	Ordinary – 75%
Associates:			
BerryWorld Plus Limited ⁶	England and Wales	Soft fruit and produce	Ordinary – 40%
Cape Variety Group (Pty) Limited ⁵	South Africa	Soft fruit and produce	Ordinary – 15%
Eurafruit Variety Group (Pty) Limited ⁵	South Africa	Soft fruit and produce	Ordinary – 19%

¹ 382 Scurr Road, Wamuran, Queensland, 4512, Australia

² Schanseind 16, 4921 PM, Netherlands, Made

³ 4 Rue Jack London, 44400 Rezé, France

⁴ Avd. La Dehesa del Piomo, 1. Polígono Empresarial La Gravera, 21440 Lepe, Huelva, España

⁵ The Woodmill, Vredenburg Road, Stellenbosch 7600

⁶ The Henley Building, Newtown Road, Henley-On-Thames, England

Notes to the financial statements (continued)

for the year ended 31 December 2022

14. Inventories



Inventories are stated at the lower of cost and estimated selling price less costs to sell. Cost includes an appropriate proportion of overheads incurred in the normal course of business in bringing the product to its present location and condition. Provision is made for obsolete, slow-moving or defective items where appropriate.

At the end of each reporting year inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the Income Statement. When a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the Income Statement.

	2022 £'000	2021 £'000
Raw materials and consumables	1,230	2,100
Finished goods and goods for resale	526	236
	1,756	2,336

Inventories are stated after provisions for impairment of £125,000 (2021: £242,000).

15. Debtors



Trade and other receivables are initially recognised at transaction price. If the arrangement constitutes a financing transaction, the transaction is measured at the present value of the future receipts discounted at the market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method.

At the end of the reporting year trade and other receivables are assessed for objective evidence of impairment. If the asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit or loss.

	2022 £'000	2021 £'000
Due within one year:		
Trade debtors	22,089	20,131
Amounts owed by group undertakings	20,816	31,532
Other debtors	11,887	9,142
Deferred tax asset (note 21)	3,576	108
Corporation tax receivable	150	94
Prepayments and accrued income	8,224	5,873
	66,742	66,880
Included within the above are amounts falling due after more than one year of:		
Other debtors	6,820	5,363
Deferred tax asset (note 21)	2,815	-
	9,635	5,363

Notes to the financial statements (continued)

for the year ended 31 December 2022

15. Debtors (continued)

Amounts owed by group undertakings are unsecured with interest fixed at a rate of 6.50% (2021: 6.50%) plus UK base rate and are repayable on demand. No interest is charged on trading balances.

Debtors are stated after provisions for impairment of £1,370,000 (2021: £1,066,000).

In February 2021, proceedings were instigated in Spain against the Company. See note 24 for further details. A loan was made to the claimant of this litigation by the Company in 2017 for repayment in 2027. The amount outstanding as at 31 December 2022 was €3.6 million which is included in other debtors (see note 15). This has since been repaid by the claimant as part of the final settlement of the claim. Therefore no provision has been made against it.

16. Creditors: amounts falling due within one year



Trade and other creditors that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

	2022 £'000	2021 £'000
Bank loans and overdrafts (note 18)	17,691	8,231
Trade creditors	16,932	15,366
Amounts owed to group undertakings	11,570	8,288
Other creditors	5,748	3,496
Taxation and social security	318	245
Financial liabilities (note 25)	-	9
Obligations under finance leases and hire purchase contracts (note 18)	76	168
Accruals and deferred income	7,232	9,405
	59,567	45,208

Amounts owed to group undertakings are unsecured with interest fixed at a rate between 2.70% and 5.00% (2021: between 2.70% and 4.75%) plus UK base rate and are repayable on demand. No interest is payable on outstanding trading balances.

Financial liabilities relate to derivative financial instruments.

17. Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
Bank loans (note 18)	-	9,245
Obligations under finance leases and hire purchase contracts (note 18)	116	35
Other creditors	1,042	1,144
	1,158	10,424

Notes to the financial statements (continued)

for the year ended 31 December 2022

18. Borrowings



Borrowings are initially stated at the fair value of the consideration received. Finance costs are charged to the Income Statement over the term of the borrowings so as to represent a constant proportion of the balance of capital repayments outstanding. Accrued finance costs attributable to borrowings where the maturity at the date of issue is less than twelve months are included in accrued charges within current liabilities. For all other borrowings, accrued finance charges and issue costs are added to the carrying value of those borrowings.

Loans, finance leases and hire purchase contracts are repayable as follows:

	2022 £'000	2021 £'000
In the first year or on demand		
Bank loans and overdrafts	17,691	8,231
Finance leases and hire purchase contracts	76	168
In more than one year but not more than five years		
Bank loans	-	9,245
Finance leases and hire purchase contracts	116	35
	17,883	17,679

The Company maintains a confidential invoice discounting facility for £32,500,000 (2021: £32,500,000). It is a group facility which is then allocated to specific companies within the Group. The availability of this facility is dependent upon the level of trade debtors. The amount outstanding at 31 December 2022 was £10,010,000 (2021: £9,245,000). The facility expires on 31 December 2023. Interest is linked to SONIA plus a margin of 1.75%.

19. Financial commitments



Property, plant and equipment acquired under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the assets have passed to the Company, are capitalised in the Statement of Financial Position and depreciated over the shorter of their useful lives and the lease terms. The present value of future rentals is shown as a liability. The interest element of the rental obligations is charged to the Income Statement over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. All other leases are regarded as operating leases and the payments made under them are charged to the Income Statement on a straight line basis over the lease term. Incentives received to enter into an operating lease are credited to the Income Statement, to reduce the lease expense, on a straight line basis over the period of the lease.

a) Operating lease commitments

Future minimum lease payments are detailed below:

	Land and buildings 2022 £'000	Vehicles, plant and machinery 2022 £'000	Land and buildings 2021 £'000	Vehicles, plant and machinery 2021 £'000
Within one year	1,421	380	1,917	188
Between one and five years	4,785	893	4,869	114
After five years	6,518	-	7,580	-
	12,724	1,273	14,366	302

Notes to the financial statements (continued)

for the year ended 31 December 2022

19. Financial commitments (continued)

b) Finance lease commitments

Finance leases are payable as follows:

	Plant and machinery 2022 £'000	Plant and machinery 2021 £'000
Within one year	78	171
Between one and five years	142	37
	220	208
Less future finance charge	(28)	(5)
	192	203

20. Provisions for liabilities



Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are only disclosed in the financial statements when an inflow of economic benefits is probable.

An analysis of balances provided by the Company is as follows:

	Dilapidations £'000	Deferred tax £'000	Settlement for legal case £'000	Total £'000
At 1 January 2022	315	275	-	590
Created during the	179	496	13,153	13,828
Utilised during the	(5)	-	-	(5)
At 31 December	489	771	13,153	14,413

Provisions include the full and final settlement of the legal case – see note 28.

Further details on deferred tax can be found in note 21.

Notes to the financial statements (continued)

for the year ended 31 December 2022

21. Deferred tax



Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Deferred tax asset	2022 £'000	2021 £'000
Decelerated capital allowances	113	108
Tax losses	3,463	-
Deferred tax asset	3,576	108

	2022 £'000
Deferred tax asset at 1 January	108
Deferred tax credit in Income Statement (note 10)	3,468
Deferred tax asset at 31 December	3,576

Deferred tax liability	2022 £'000	2021 £'000
Accelerated capital allowances	771	275
Deferred tax liability	771	275

	2022 £'000
Deferred tax liability at 1 January	275
Deferred tax charge in Income Statement (note 10)	496
Deferred tax liability at 31 December	771

Deferred tax assets and liabilities have been recognised in these financial statements using future UK Corporation Tax rates enacted at the year end.

Notes to the financial statements (continued)

for the year ended 31 December 2022

22. Pension scheme



The Company participates in defined contribution pension plans. Defined contribution pension costs charged to the Income Statement represent contributions payable in respect of the accounting year.

The Company participates in a defined contribution pension scheme. As noted in the accounting policies note, the pension charge for the year represents contributions payable by the Company to the scheme and to employees' pension plans. The pension cost charge for the year amounted to £836,000 (2021: £512,000). There were no outstanding contributions at year end (2021: £nil).

23. Called up share capital



Ordinary A shares and B shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary A shares or options are shown in equity as a deduction, net of taxation, from the proceeds.

Allotted and fully paid

	2022 £'000	2021 £'000
5,287,500 Ordinary A shares (2021: 5,287,500) of £1 each	5,288	5,288
12,500 Ordinary B shares (2021: 12,500) of £1 each	12	12
	5,300	5,300

The 'B' shares have no voting interest, and have no interest in any future distribution other than the nominal value of their shares.

Dividends

	2022 £'000	2021 £'000
Equity - Ordinary	7,534	-
	7,534	-

24. Assets pledged, commitments and contingencies

In February 2021, proceedings were instigated in Spain against the Company. A full and final settlement of this legal case has been made; the settlement amount has been recognised in the 2022 Balance Sheet as an adjusting Post Balance Sheet Event – see note 28.

During the year, the Company was a participant in a group arrangement under which all assets and surplus cash balances were held as collateral for bank facilities advanced to group members. The facilities were secured under a debenture dated 22 September 2017 over all assets of the Company.

The Company has given no guarantees in the normal course of business (2021: £nil).

Post year end following a Group refinancing, the Company is a participant in a new group arrangement under which all assets are held as collateral for bank facilities advanced to Group members. The facilities are secured under an all assets debenture dated 29 September 2023 (see note 28).

Notes to the financial statements (continued)

for the year ended 31 December 2022

25. Financial instruments



Financial liabilities and equity

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

Financial instruments

The Company enters into transactions in the normal course of business using a variety of financial instruments, including spot and forward exchange contracts, in order to reduce exposure to foreign exchange risk and interest rate fluctuations. The Company does not hold or issue derivative financial instruments for speculative purposes. Financial assets and liabilities are recognised in the Statement of Financial Position at the lower of cost and net realisable value. Provision is made for diminution in value where appropriate. Interest payable or receivable is accrued, and recognised in the Income Statement in the year to which it relates.

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

The Company has the following financial instruments:

	2022	2021
	£'000	£'000
Financial assets measured at amortised cost		
Trade debtors	22,089	20,131
Other debtors	11,887	9,142
	33,976	29,273
Financial liabilities at fair value through Income Statement		
Derivative financial instruments	-	9
	-	9
Financial liabilities measured at amortised cost		
Bank loans and overdrafts	17,691	17,476
Trade creditors	16,932	15,366
Obligations under finance leases and hire purchase contracts	192	203
Other creditors	6,790	4,640
	41,605	37,685
Derivative financial instruments		

The Company enters into forward foreign currency to mitigate the exchange rate risk for certain foreign currency receivables. At 31 December 2022, the outstanding contracts all mature within three months of the year end.

Notes to the financial statements (continued)

for the year ended 31 December 2022

26. Related party transactions

BerryWorld Limited is a wholly owned subsidiary of BerryWorld Group Holdings Limited and has taken the exemption to disclose related party transactions with other wholly owned subsidiaries of this company.

26.1 Other transactions

	2022 £'000	2021 £'000
Transactions with group entities		
Sales to group companies	359	262
Purchases from group companies	611	2,834
Amounts owed by group companies	20,407	21,253
Amounts owed to group companies	41	139
Interest receivable from group companies	1,015	661
Dividends receivable from group companies	646	664
Transactions with associates		
Sales to associates on normal trading terms	743	1,460
Purchases from associates on normal trading terms	1,065	1,859
Amounts owed by associates	27	23
Amounts owed to associates	18	17
Dividends receivable	1,416	1,400
Transactions with entities with common key management personnel		
Purchases from companies with common key management personnel on normal trading terms	-	84

26.2 Key management personnel

Only members of the board are considered to be key management personnel. It is the board who have responsibility for planning, directing and controlling the activities of the group. Directors' remuneration is detailed in note 5.

27. Parent and ultimate controlling party

The Company is ultimately owned and controlled by D J Gray.

The Company's immediate parent is BerryWorld Group Holdings Limited, a company incorporated in England and Wales, with registered office at The Henley Building, Newton Road, Henley on Thames, Oxfordshire, RG9 1HG

The largest group into which the results of the Company are consolidated is Fletcher Bay Group Limited. Copies of those consolidated financial statements may be obtained from the registered office at The Henley Building, Newton Road, Henley on Thames, Oxfordshire, RG9 1HG.

The smallest group in which they are consolidated is that headed by Argent Foods Limited. Copies of those consolidated financial statements may be obtained from the registered office at The Henley Building, Newton Road, Henley on Thames, Oxfordshire, RG9 1HG.

Notes to the financial statements (continued)

for the year ended 31 December 2022

28. Post balance sheet events

In May 2023, the Company made a full and final settlement of a legal case which has been proceeding since February 2021. This was funded by the parent Company, BerryWorld Group Holdings Limited. The settlement amount has been recognised in the 2022 Balance Sheet as an adjusting Post Balance Sheet Event.

In May 2023, the Company acquired the final 25% minority share in BerryWorld (SA) (PTY) Limited to take the Company's shareholding to 100%.

On 29 September 2023, the Argent Foods Limited Group refinanced its debt facilities. A deal with Leumi ABL has been agreed and the terms are detailed as below. As part of this refinancing, the Company is now a participant in a new group arrangement under which all assets are held as collateral for the debt facilities. The facilities are secured under an all assets debenture dated 29 September 2023.

Facility	Amount	Margin	Interest	Expiry date
Invoice discounting	£40,000,000	2.15%	Margin plus Daily SONIA/3-month EURIBOR	29 September 2026
Revolving credit	£6,000,000	3.50%	Margin plus Daily SONIA	30 April 2024