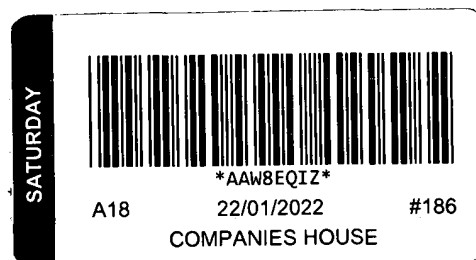


Registration number: 03102559

**Daniels Chilled Foods Limited**  
**Annual Reports and Financial Statements**  
**for the Year Ended 30 June 2021**



## **Daniels Chilled Foods Limited**

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## **Daniels Chilled Foods Limited**

### **Company Information**

#### **Directors**

Mr Mark Schiller

Mr Javier Idrovo

Dr Wolfgang Goldenitsch

#### **Company secretary**

Mr Nicholas Keen

#### **Registered office**

Templar House,  
4225 Park Approach,  
Thorpe Park,  
Leeds,  
LS15 8GB

#### **Auditors**

Ernst & Young LLP  
1 Bridgewater Place  
Water Lane  
Leeds  
LS11 5QR

## Daniels Chilled Foods Limited

### Strategic Report for the Year Ended 30 June 2021

The directors present their strategic report for the year ended 30 June 2021.

#### Principal activity

The principal activity of the Company is that of a leading manufacturer of fresh, chilled soup. During the previous year the company ceased to manufacture fresh cut fruit products.

#### Review of the business

The Company has a number of key performance indicators, both financial and non financial, that are used to manage the business. Non-financial indicators include health and safety.

On 1 October 2020, the trade and certain assets of a fellow group subsidiary The Yorkshire Provender Limited were acquired for proceeds equal to the book value of the assets purchased. On 4 February 2021 the Company announced the potential closure of the Leeming Bar soup facility and the transfer of its manufacturing volumes to the Lakeside soup facility. This was subsequently confirmed and took place in quarter four of the financial year ending 30 June 2021.

On 27 June 2019 the Company announced the potential closure of its Leeds fresh cut fruit facility and the transfer of its manufacturing volumes to a sister company. This took place in October 2019, and these operations were classified as discontinued in the previous financial year.

The Company's key financial and other performance indicators from continuing operations during the year were as follows:

	Unit	2021	2020
Turnover	£000	35,412	22,936
Operating profit/(loss) after one-off items	£000	1,314	(1,523)
Operating profit/(loss) before one-off items	£000	338	(2,005)
Shareholders funds	£000	9,102	8,277

Financial measurement is driven by reviewing movements in turnover, gross margin percentages and operating profit margins. Gross margin percentage from continuing operations for the period was 26.5% (year ended 30 June 2020 – 16.9%). Turnover from continuing operations increased by £12,476,000 to £35,412,000, which included the impact of the Yorkshire Provender volumes. Statutory operating profit/loss from continuing operations improved by £2,343,000 to a profit of £338,000. On a pre-one-off basis operating loss from continuing operations improved from a loss of £1,523,000 to a profit of £1,314,000. This was primarily due to a focus on cost control in the year.

One-off items in operating loss from continuing operations in the year ended 30 June 2021 included:

- £1,169,000 impairment of property, plant and equipment arising mainly on the closure of the Leeming Bar soup facility, and a move of the head office location in the year.
- £35,000 loss arising on settlement of certain onerous lease liabilities.
- £228,000 gain arising on settlement of certain leasehold restoration liabilities.

One-off items in operating loss from continuing operations in the year ended 30 June 2020 included:

- £254,000 gain arising on settlement of certain onerous lease liabilities.
- £228,000 gain arising on settlement of certain leasehold restoration liabilities.

The total profit for the year ended 30 June 2021 was £663,000 (2020 – £2,275,000 loss).

#### Principal risks and uncertainties

The Company operates in a highly competitive market place particularly with regard to pricing, promotional activity and the introduction of new product developments. The Company manages competitive trading risk by providing well priced, high quality products and by maintaining strong relationships with its customer base.

## **Daniels Chilled Foods Limited**

### **Strategic Report for the Year Ended 30 June 2021 (continued)**

#### **Principal risks and uncertainties (continued)**

Upwards input price pressure, both underlying and currency related, represents a key risk to the business. This risk is addressed through a continuous review of the supply base of the business to ensure continuity of supply of key materials at competitive prices. The business has a number of contracts with key suppliers that mitigate the effects of input price volatility.

The general economic climate also represents a risk to the business and may impact the revenue and profitability of the business. The business has plans in place to mitigate this risk where necessary.

At the date of approval of these financial statements, there remains significant uncertainty concerning the outcome and potential impacts of Brexit. Certain plans were considered appropriate and reasonable to mitigate these potential impacts have been prepared, including; increased stock holdings of certain imported goods; alternative supply chain routes for imported goods; and engaging with employees to manage labour retention. The Company will continue to review and update operational plans to minimise possible risks.

The current situation with the COVID-19 pandemic has given rise to additional risks and uncertainties, predominantly in respect of the potential impact on the Company's trading and cashflows. However, the manufacturing sites and supply chain have proved resilient to fluctuations in demand and the directors are thankful for the efforts of those across the business in maintaining the food supply. Observing lockdown measures taken by the UK government, retail outlets as well as supermarkets, have remained accessible for consumers during the crisis. In addition to these financial matters, the health and wellbeing of staff is of the utmost importance to the Company, and a number of steps have been taken to ensure their continued welfare, as well as being able to continue to operate effectively. Safety measures have been put in place in the Company's production facilities to keep our people safe and these measures are subject to continual review as the government's guidelines are updated. Whilst uncertainty remains concerning the ongoing short and medium term impacts of the COVID-19 pandemic, the Company will continue to review and update operational plans to minimise possible risks.

#### **Section 172 Statement**

##### **Section 1 – Stakeholder Engagement**

The following stakeholder groups according to Section 172(1) Companies Act 2006 have been identified as relevant for the Company.

##### ***Workforce***

To ensure workforces are aligned to the objectives and values of the business as well as sharing and embedding food safety, quality and integrity expectations, management are engaged via forums on site, briefings and value awards to drive staff decisions that have a key influence on the working environment.

##### ***Suppliers***

Suppliers are a critical link in the overall supply chain, providing a source of value, consistency of quality and service and opportunity for innovation to meet the Company's needs. The Company uses regular reviews and 2-way engagement for performance improvement, development of products and maintenance of quality standards.

##### ***Customers***

Engagement with customers facilitates alignment with their values, strategies and priorities to drive sustainable business relationships and future growth. There is regular communication to agree ongoing goals and priorities, develop relationships and drive continuous improvement.

##### ***Regulators/Government***

Ensuring the Company's voice is heard within Government and Regulatory bodies and seeking advice and guidance on existing and new legislation, to enhance business knowledge and ensure compliance.

##### ***Pension schemes/Pensioners***

To provide effective savings and retirement planning for employees through engagement with third party advisers.

## **Daniels Chilled Foods Limited**

### **Strategic Report for the Year Ended 30 June 2021 (continued)**

#### **Section 172 Statement (continued)**

##### ***Community***

Community engagement is recognized as important to employees and the communities in which the Company operates. The Company participate in fundraising events that benefit local causes, which have a positive impact on employees and the communities with which the Company is involved.

##### **Section 2 – Principal Decisions**

As noted in Section 1, the Company seeks to engage with stakeholders on a regular basis on all relevant matters considered to be material to the Company and significant to the stakeholders listed. During the year ended 30 June 2021, this included the Company's response to the COVID-19 pandemic.

##### **Future developments**

The Company is focused on driving growth in both turnover and profitability, and certain restructuring continues.

Approved by the Board on 18 December 2021 and signed on its behalf by:



Dr Wolfgang Goldenitsch  
Director

## **Daniels Chilled Foods Limited**

### **Directors' Report for the Year Ended 30 June 2021**

The directors present their report and the financial statements for the year ended 30 June 2021.

#### **Directors of the Company**

The directors who held office during the year and up to the approval of this report were as follows:

Mr Mark Schiller

Mr James Skidmore (resigned 24<sup>th</sup> August 2020)

Mr Javier Idrovo

Dr Wolfgang Goldenitsch (appointed 24<sup>th</sup> August 2020)

#### **Financial instruments**

##### ***Price risk, credit risk, liquidity risk and cash flow risk***

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The Company has a system of controls in place to create an acceptable balance between the costs of risks occurring and the costs of managing the risks. Risk management policies and systems are regularly reviewed to reflect changes in market conditions and the Company's activities.

The Company operates mainly in the UK with a functional currency of sterling. The Company's exposure to market risk derives primarily from foreign currency risk as it also purchases from and sells to companies in Europe.

In order to manage credit risk which may arise resulting from the failure of a customer to settle its debts as and when they fall due, management has in place credit policies setting the maximum amount of credit allowed to be extended to each customer. These credit limits are determined following credit evaluations of credit customers and credit exposures are monitored on an on-going basis.

To manage liquidity and cash flow risk, the Company monitors closely its operating cash flows ensuring that there are sufficient cash and cash equivalents as well as adequate funding facilities to meet its operating requirements. In assessing the adequacy of these facilities and cash balances, management reviews its operating cash flows, working capital requirements, its debt obligations and its projected capital commitments.

#### **Employment of disabled persons**

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

#### **Employee involvement**

The Company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2005. During the year, the policy of providing employees with information, including information relating to the economic and financial factors affecting the performance of the Company, has been continued through regular briefings to employees undertaken by management.

## Daniels Chilled Foods Limited

### Directors' Report for the Year Ended 30 June 2021 (continued)

#### Research and development

In the year ended 30 June 2021, the focus of research and development work has been in relation to new products across a number of the business's existing categories.

#### Streamlined Energy & Carbon Reporting

The Company's energy usage and related carbon emissions data is presented below:

##### *Year ended 30 June 2021*

Greenhouse gas emissions	Volume (kWh)	Emissions (t CO <sub>2</sub> e)
Scope 1 – Emissions from combustion of gas	10,104,000	1,851
Scope 1 – Emissions from combustion of fuel for transport	267,000	68
	10,371,000	1,919
Scope 2 – Emissions from purchased electricity	8,124,000	1,724
Scope 3 – Emissions from third party transport	28,000	7
<b>Total emissions</b>	<b>18,523,000</b>	<b>3,650</b>
<b>Out of scope emissions</b>	<b>n/a</b>	<b>21</b>

##### *Year ended 30 June 2020*

Greenhouse gas emissions	Volume (kWh)	Emissions (t CO <sub>2</sub> e)
Scope 1 – Emissions from combustion of gas	10,119,000	1,868
Scope 1 – Emissions from combustion of fuel for transport	327,000	79
	10,446,000	1,947
Scope 2 – Emissions from purchased electricity	6,228,000	1,452
Scope 3 – Emissions from third party transport	59,000	14
<b>Total emissions</b>	<b>16,733,000</b>	<b>3,413</b>
<b>Out of scope emissions</b>	<b>n/a</b>	<b>57</b>

The Company's Intensity Ratio is 0.17 (2020 – 0.20) tonnes of CO<sub>2</sub>e per tonne of production. Note that the Company has no offshore activities.

#### *Quantification and reporting methodology*

The Company has taken guidance from the UK Government Environmental Reporting Guidelines (March 2019), the GHG Reporting Protocol - Corporate Standard, and from the UK Government GHG Conversion Factors for Company Reporting document for calculating carbon emissions. Energy usage information (gas and electricity) has been obtained directly from energy suppliers and HH/AMR data, where available, for those supplies with HH/AMR meters. For supplies where there wasn't complete 12 month energy usage available, flat profile estimation techniques were used to complete the annual consumption. Other energy fuel use was provided either as litres or tonnes to calculate emissions from LPG/propane. Biogas usage was also reported (recorded as Out of Scope). Transport mileage and/or fuel usage data was provided for their company and employee owned vehicles. The organisation also wanted to provide a voluntary disclosure of their Air Travel, therefore used expenses claims (mileage) for business travel for domestic, international, short/long haul flights. CO<sub>2</sub>e emissions were calculated using the appropriate emission factors from the UK Government GHG conversion information and retained within the organisations Data File for reference where required.

#### *Energy efficiency action*

During the year, the Company has installed LED lighting in a number of its production areas, in addition to other plant and machinery energy efficiency improvements.



## **Daniels Chilled Foods Limited**

### **Directors' Report for the Year Ended 30 June 2021 (continued)**

#### **Going concern**

The Company is dependent upon continuing finance being made available by its ultimate parent Company to enable it to meet its liabilities as they fall due. The ultimate parent company, The Hain Celestial Group, Inc. has expressed its willingness to provide financial support to Daniels Chilled Foods Limited for a period of at least 12 months from the approval of the financial statements in order to assist the Company in meeting its liabilities as they fall due. Accordingly, given such support, the directors have prepared these accounts on a going concern basis.

With regards to the current COVID-19 pandemic, the manufacturing sites and supply chain have proved resilient to fluctuations in demand and the directors are thankful for the efforts of those across the business in maintaining the food supply. Observing lockdown measures taken by governments across Europe, retail outlets as well as supermarkets, have remained accessible for consumers during the crisis.

Safety measures have been put in place in the Company's production facilities to keep our people safe and these measures are subject to continual review as the government's guidelines are updated. From a funding perspective, the Company is well placed as it has access to the financial resources of its US parent company via long-term finance arrangements and working capital facilities with external lenders, which are currently not fully drawn.

The above-mentioned measures combined provide a sufficient level of funding of the Company's operations and will enable the Company to meet future commitments. Therefore, the directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future.

#### **Events after the balance sheet date**

None.

#### **Dividends and results**

The result for the year ended 30 June 2021 was a profit of £663,000 (year ended 30 June 2020 – loss of £2,275,000). No dividends have been declared in the year (2020 - £nil).

#### **Disclosure of information to the auditor**

Each director has taken 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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 18 December 2021 and signed on its behalf by:



Dr Wolfgang Goldenitsch  
Director

## **Daniels Chilled Foods Limited**

### **Statement of Directors' Responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework' ('FRS101'). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards including Financial Reporting Standard 101 'Reduced Disclosure Framework' have been followed, subject to any material departures disclosed and explained in the financial statements; 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 responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

## **Independent Auditor's Report to the Members of Daniels Chilled Foods Limited**

### **Opinion**

We have audited the financial statements of Daniels Chilled Foods Limited for the year ended 30 June 2021 which comprise the Statement of Profit and Loss and Other Comprehensive Income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 24, 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 FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2021 and of its 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

## **Independent Auditor's Report to the Members of Daniels Chilled Foods Limited (continued)**

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom.

## **Independent Auditor's Report to the Members of Daniels Chilled Foods Limited (continued)**

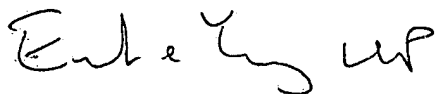
### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)***

- We understood how Daniels Chilled Foods Limited is complying with those frameworks making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas. We corroborated the results of our enquiries through reading the board minutes and other correspondence, making inquiries of management to identify if there are matters where there is a risk of breach of such frameworks that could have a material impact on the company. We understood controls put in place by management to reduce the opportunities for fraudulent transactions.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by internal EY team wide conversations and discussions, discussions with management from various parts of the business to understand where they considered there was susceptibility to fraud and what entity level controls are in place. We also identified the existence of performance targets and their potential influence on management to manage earnings by manipulating Revenue. We considered the controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors those controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- Based on this understanding we designed our audit procedures to identify non-compliance with the laws and regulations and frameworks identified above and to respond to the assessed risks. Our procedures included: journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions; enquiries of company management; and challenging the assumptions and judgements made by management by agreeing to supporting third party evidence wherever possible. We also leveraged our data analytics platform to review the entire population of journals to assist in identifying specific transactions to test being those that did not meet certain criteria. The results of our procedures did not identify any instances of irregularities, including fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

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



Richard Frostick (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor  
Leeds

20 December 2021

# Daniels Chilled Foods Limited

## Statement of Profit and Loss and Other Comprehensive Income for the Year Ended 30 June 2021

	Note	2021 £ 000	2020 £000
<b>Continuing Operations</b>			
Turnover	4	35,412	22,936
Cost of sales		<u>(26,035)</u>	<u>(19,069)</u>
Gross profit		9,377	3,867
Distribution costs		(5,265)	(3,613)
Administrative expenses		<u>(3,774)</u>	<u>(1,777)</u>
Operating profit/(loss)	5	338	(1,523)
Gain on sale of brand		900	-
Finance costs	6	<u>(299)</u>	<u>(313)</u>
Profit/(Loss) before tax from continuing operations		939	(1,836)
Tax	11	<u>(276)</u>	<u>256</u>
Profit/(Loss) for the year from continuing operations		663	(1,580)
<b>Discontinued operations</b>			
Loss after tax for the year from discontinued operations	10	<u>-</u>	<u>(695)</u>
Profit/(Loss) for the year		<u>663</u>	<u>(2,275)</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the year		<u><u>663</u></u>	<u><u>(2,275)</u></u>

The notes on pages 15 to 33 form an integral part of these financial statements.

# Daniels Chilled Foods Limited

(Registration number: 03102559)

Balance Sheet as at 30 June 2021

	Note	2021 £ 000	2020 £ 000
<b>Fixed assets</b>			
Property, plant and equipment	12	28,443	27,275
Intangible assets	13	40	-
Investments in subsidiaries, joint ventures and associates	14	9,404	9,404
Deferred tax asset	11	-	646
		<u>37,887</u>	<u>37,325</u>
<b>Current assets</b>			
Inventories	15	1,731	1,637
Trade and other receivables	16	99,121	91,286
Income tax receivable		1,421	431
Assets held for sale	12	1,355	-
Cash and cash equivalents		<u>1,704</u>	<u>7,122</u>
		<b>105,332</b>	<b>100,476</b>
<b>Creditors: Amounts falling due within one year</b>			
Trade and other payables	19	<u>(129,374)</u>	<u>(123,393)</u>
Creditors: Amounts falling due within one year		<u>(129,374)</u>	<u>(123,393)</u>
<b>Net current liabilities</b>		<u>(24,042)</u>	<u>(22,917)</u>
<b>Total assets less current liabilities</b>		<b>13,845</b>	<b>14,408</b>
Non-current lease liabilities	18	(2,607)	(3,541)
Deferred tax liabilities	11	(629)	-
Provisions	21	<u>(1,507)</u>	<u>(2,590)</u>
<b>Net assets</b>		<u><b>9,102</b></u>	<u><b>8,277</b></u>
<b>Capital and reserves</b>			
Share capital	17	1	1
Retained earnings		<u>9,101</u>	<u>8,276</u>
<b>Total equity</b>		<u><b>9,102</b></u>	<u><b>8,277</b></u>

Approved by the Board on 18 December 2021 and signed on its behalf by:



Dr Wolfgang Goldenitsch  
Director

The notes on pages 15 to 33 form an integral part of these financial statements.

**Daniels Chilled Foods Limited**

**Statement of Changes in Equity for the Year Ended 30 June 2021**

	<b>Share capital £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 1 July 2020	1	8,276	8,277
Profit for the year	-	663	663
Total comprehensive income for the year	-	663	663
Share based payment transactions	-	162	162
At 30 June 2021	1	9,101	9,102

	<b>Share capital £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 1 July 2019	1	10,123	10,124
Effect of transition to IFRS16 Leases	-	174	174
Adjusted at 1 July 2019	1	10,297	10,298
Loss for the year	-	(2,275)	(2,275)
Total comprehensive loss for the year	-	(2,275)	(2,275)
Share based payment transactions	-	254	254
At 30 June 2020	1	8,276	8,277

The notes on pages 15 to 33 form an integral part of these financial statements.  
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## **Daniels Chilled Foods Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2021**

#### **1 General information**

The Company is a private company limited by share capital incorporated and domiciled in UK.

The address of its registered office is:

Templar House,  
4225 Park Approach,  
Thorpe Park,  
Leeds,  
LS15 8GB

These financial statements were authorised for issue by the Board on 18 December 2021.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

These financial statements have been prepared in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS101).

The Company has taken advantage of the following disclosure exemptions under FRS101:

- a) the requirements of paragraphs 10(d)(f), 16, 38A-D, 40A-D and 134-136 of IAS 1 Presentation of Financial Statements;
- b) the requirements of IAS 7 Statement of Cash Flows;
- c) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- d) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- e) the requirements of IAS 24 paragraphs 7, 17 and 18A - disaggregation of Key Management Personnel remuneration; and
- f) the requirements of IAS 1 paragraphs 16, 38 a-d and 40 a-d Presentation of Financial Statements
- g) the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of disclosures required by IFRS 15 Revenue from Contracts with Customers
- h) The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases

As the consolidated financial statements of The Hain Celestial Group, Inc. include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- a) the requirements of paragraphs 130f(ii)-(iii), 134d-f and 135c-e of IAS 36 Impairment of Assets; and
- b) the requirements of IFRS 13 – Fair Value Measurement paragraphs 91-99; and
- c) the requirements of IFRS 7 – Financial Instruments – disclosures; and
- d) the requirements of paragraph 33(c) of IFRS 5 – Non current assets held for sale and discontinued operations.

Both the functional and presentational currency of the Company are GBP.

These financial statements are the separate financial statements of Daniels Chilled Foods Limited. Consolidated financial statements are prepared by its ultimate parent, The Hain Celestial Group, Inc.

##### **Exemption from preparing group accounts**

The financial statements contain information about Daniels Chilled Foods Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 401 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 ultimate parent, The Hain Celestial Group Inc., a company incorporated in the USA. The consolidated financial statements are available from the address provided in note 23.

## Daniels Chilled Foods Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)

#### 2 Accounting policies (continued)

##### Going concern

The Company is dependent upon continuing finance being made available by its ultimate parent Company to enable it to meet its liabilities as they fall due. The ultimate parent company, The Hain Celestial Group, Inc. has expressed its willingness to provide financial support to Daniels Chilled Foods Limited for a period of at least 12 months from the approval of the financial statements in order to assist the Company in meeting its liabilities as they fall due. Accordingly, given such support, the directors have prepared these accounts on a going concern basis.

With regards to the current COVID-19 pandemic, the manufacturing sites and supply chain have proved resilient to fluctuations in demand and the directors are thankful for the efforts of those across the business in maintaining the food supply. Observing lockdown measures taken by governments across Europe, retail outlets as well as supermarkets, have remained accessible for consumers during the crisis.

Safety measures have been put in place in the Company's production facilities to keep our people safe and these measures are subject to continual review as the government's guidelines are updated. From a funding perspective, the Company is well placed as it has access to the financial resources of its US parent company via long-term finance arrangements and working capital facilities with external lenders, which are currently not fully drawn.

The above-mentioned measures combined provide a sufficient level of funding of the Company's operations and will enable the Company to meet future commitments. Therefore, the directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future.

##### Leases

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### *Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are also subject to impairment. Refer to the accounting policy on Impairment of non-financial assets.

##### *Lease liabilities*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, and variable lease payments that depend on an index or a rate. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification to the lease. The Company's current lease liabilities are included in trade and other payables and the non-current lease liabilities are shown separately on the balance sheet.

##### *Short-term leases*

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

## **Daniels Chilled Foods Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Revenue recognition**

All revenue is earned from the sale of goods. Revenue from contracts with customers is recognized when the control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Revenue represents amounts invoiced to third parties in respect of goods supplied, and is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the Company.

Sales of goods are recognized when the product is delivered to the customer, the customer has accepted the products and collectability of the trade receivables is reasonably assured. The normal credit term is 30 to 90 days upon delivery. Incoterms are in place that can vary from customer to customer. Revenue is recognized according to these individual incoterms.

Contracts with customers can contain various types of discounts. Accumulated experience is used to estimate potential discounts in order to appropriately recognize revenue. Moreover, revenue is only recognized when it is highly probable that a significant reversal in the amount recognized will not occur. This is commonly the case when control of the product is transferred to the customer. Since the Company's principal activities are the sale of grocery products including sweet spreads and jellies with a finite shelf life, returns of goods do not regularly occur and therefore do not require specific accounting procedures.

The Company does not expect to have contracts where the period between the payment and the transfer of goods is longer than one year. All contracts have significantly lower payment terms (between 30 to 90 days upon delivery). Therefore an adjustment to the transaction price with regards to a financing component in the contracts with customers is not necessary.

##### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency (GBP) rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

##### **Tax**

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

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

## **Daniels Chilled Foods Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Discontinued Operations**

Daniels Chilled Foods Limited ceased to manufacture fresh cut fruit during the year ended 30 June 2020 and transferred these manufacturing volumes to a fellow group company. Its operations were classified as discontinued in these financial statements for the prior financial year. For more details see note 10.

Where operations are abandoned, they are classified as discontinued in the period that operations cease.

##### **Property, plant and equipment**

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation, and any contractual restoration costs or leasehold dilapidation costs expected at the end of their useful economic life.

##### **Depreciation**

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Freehold land is not depreciated. The depreciation rates are as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold buildings	15 to 50 years straight line
Plant and equipment	7 to 15 years straight line
Fixtures and fittings	3 to 15 years straight line
Motor vehicles	25% per annum straight line
Leasehold land and buildings	Straight line over the lease term

##### **Intangible assets**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Goodwill is not subject to amortisation but is tested for impairment.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the income statement on disposal.

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

##### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Customer lists	Straight line over 5 years

## **Daniels Chilled Foods Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Assets held for sale**

Non-current assets and disposal groups are classified as held for sale only if available for immediate sale in their present condition, a sale is highly probable and expected to be completed within one year from the date of classification. Such assets are measured at the lower of carrying amount and fair value less costs to sell and are not depreciated or amortised.

##### **Investments**

The Company carries its investments in subsidiary undertakings at amortised cost less impairment. The Company assess at each reporting date whether there are indicators of impairment. If there are indicators of impairment, a full impairment exercise is undertaken. If that shows objective evidence of impairment a provision is made.

##### **Cash and cash equivalents**

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

##### **Trade receivables**

Trade and other receivables consists of amounts due from related parties. If amounts are repayable on demand, they are classified as current assets. If not, they are presented as non-current assets. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

##### **One-off items as discussed in the Strategic Report**

One-off items comprise items of income and expense that are material in amount and unlikely to recur and that merit separate disclosure in order to provide an understanding of the Company's underlying financial performance.

##### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, inventories are assessed for impairment. If inventory 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.

##### **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised at the transaction price.

## **Daniels Chilled Foods Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Borrowings**

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

##### **Provisions**

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when recovery is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. Where discounting is used, the increase in the provision due to unwinding the discount is recognised as a finance cost.

##### **Share capital**

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

##### **Defined contribution pension obligation**

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

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

## **Daniels Chilled Foods Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Financial assets and liabilities**

The company classifies its financial assets in the following categories:

- Fair value through profit or loss (FVPL)
- Loans and receivables

The classification depends on the purpose for which the financial assets were acquired. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial assets at FVPL are expensed in the profit or loss.

##### *Financial assets (including receivables)*

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows, and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Subsequent to initial recognition these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment losses are presented as a separate line item in the profit or loss under 'net impairment losses' on financial assets.

##### *Financial assets at fair value through profit or loss*

Financial assets that are held within a different business model other than to 'hold to collect' are categorised as fair value through profit or loss. The assets are subsequently measured at fair value with gains or losses recognised in profit or loss and presented net within other (expenses)/income in the period they arise. Fair values are determined by reference to active market or using valuation techniques where no active market exists.

Equity instruments for which the entity has not elected to recognise fair value gains and losses through OCI are classified at FVPL.

##### **Impairment**

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Refer above to the Trade and other receivables accounting policy for further information.

##### *Non-financial assets*

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of

## **Daniels Chilled Foods Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Financial assets and liabilities (continued)**

the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **3 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected off.

##### **Inventory impairment allowances**

Impairment allowances are raised against inventory when it is considered that the amount realizable from such inventory's sale is considered to be less than its carrying amount. The impairment allowances are made using management's best estimate for recoverable amounts.

##### **Leasehold restoration provisioning**

The company has an obligation under certain property leases to remove property, plant and equipment it has installed and restore the property to an agreed condition, subject to fair wear and tear, at the end of those leases. The company has estimated the liabilities expected to arise based on past experience of restoration costs incurred at the end of similar property leases, maintains on-going provisions for these costs.

##### **Onerous lease provisioning**

Provisions are made for obligations under onerous operating leases when properties are not used by the Company and the net costs of exiting from the leases exceed the economic benefits expected to be received. The provision is based on the present value of expected future cashflows relating to rents, rates and other property costs to the end of the lease terms net of expected sub-let income.

##### **Leases**

In determining the lease term, the Company assesses whether it is reasonably certain to exercise, or not to exercise, options to extend or terminate a lease. This assessment is made at the start of the lease and is re-assessed if significant events or changes in circumstances that are within the lessee's control.

When the interest rate implicit in the lease is not readily determinable, the Company estimates the incremental borrowing rate is used in determining the present value of lease payments and is calculated based on information available at the lease commencement date. The incremental borrowing rate is determined using a portfolio approach based on the rate of interest the Company would have to pay to borrow funds on a collateralized basis over a similar term. The Company references market yield curves which are risk-adjusted to approximate a collateralized rate in the currency of the lease. These rates are updated on a quarterly basis for measurement of new lease obligations.



## Daniels Chilled Foods Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)

#### 4 Revenue

The analysis of the Company's revenue from continuing operations for the year from continuing operations is as follows:

	2021 £ 000	2020 £ 000
Sale of goods	35,412	22,862
Royalties	-	74
	<u>35,412</u>	<u>22,936</u>
 Sales by geographical location		
Sale of goods UK	35,412	22,862
Royalties receivable UK	-	74
	<u>35,412</u>	<u>22,936</u>

#### 5 Operating loss

Arrived at after charging/(crediting) on continuing operations

	2021 £ 000	2020 £ 000
Depreciation expense	3,337	3,130
Foreign exchange losses	16	41
Short term hire of plant and machinery	44	1
Cost of stocks recognised as an expense (included in cost of sales)	20,282	13,633
One-off loss/(gain) arising on settlement of onerous lease liabilities	35	(254)
One-off gain arising on settlement of leasehold restoration liabilities	(228)	(228)
Impairment of property, plant and equipment	<u>1,169</u>	<u>-</u>

The impairment of property, plant and equipment arose mainly on the closure of the Leeming Bar soup facility, and a move of the head office in the year.

#### 6 Finance costs

	2021 £ 000	2020 £ 000
Interest on loans due to other group companies	174	174
Interest charge on lease liabilities (note 18)	91	124
Other finance charges	<u>34</u>	<u>15</u>
	<u>299</u>	<u>313</u>

## Daniels Chilled Foods Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)

#### 7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £ 000	2020 £ 000
Wages and salaries	12,899	15,752
Social security costs	1,399	1,441
Pension costs, defined contribution scheme	509	532
	<u>14,807</u>	<u>17,725</u>

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Production	182	292
Administration and support	137	140
	<u>319</u>	<u>432</u>

As at 30 June 2021, there was £185,000 liability in respect of defined contribution pension schemes (2020 - £221,000).

#### 8 Directors' remuneration

One director of the Company was based in the UK and was paid by Daniels Chilled Foods Limited. The director received total remuneration for the year of £189,000 (2020 - £478,000), including company pension contributions money purchase pension plans of £6,800 (2020 - £27,000). The director does not believe that it is practicable to apportion this amount between his services as director of the Company and his services as director of the UK holding and fellow subsidiary companies.

The remuneration for those directors who are based abroad has been borne by other group companies as they are also directors or officers of a number of the companies within the group. Those directors' services to Daniels Chilled Foods Limited do not occupy a significant amount of their time. As such those directors do not consider that they have received any remuneration for their services to the Company. Where during the year ended 30 June 2021 those directors received shares in the Hain Celestial Group, Inc, these are considered to have been received for their worldwide services to the group and any amounts relating to qualifying services provided to this entity is negligible. Therefore no further disclosure has been made in these financial statements.

During the year shares in The Hain Celestial Group, Inc were received or became receivable under bonus and long-term incentive schemes by four (2020: four) directors of the Company.

	2021 £ 000	2020 £ 000
9 Auditors' remuneration		
Audit of the financial statements	<u>375</u>	<u>365</u>

The Company bears the costs of the audit of the financial statements of the UK-based parent, its subsidiary and related companies.

## Daniels Chilled Foods Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)

#### 10 Discontinued operations

During the prior year Daniels Chilled Foods Limited ceased to manufacture fresh cut fruit and transferred these manufacturing volumes to a fellow group company. As this business ceased operating in the Company during the year ended 30 June 2020 its operations were classified as discontinued in the financial statements for the prior financial year. As related assets had been written down in previous periods, or were realised in the normal course of business, there were no assets held for sale or disposal groups requiring disclosure in the balance sheet at 30 June 2020.

The results of the Fruit businesses for the year are presented below:

	2021 £000	2020 £ 000
Turnover	-	9,213
Cost of sales	-	(9,332)
Gross (loss)/profit	-	(119)
Distribution costs	-	(575)
Administrative expenses	-	(184)
Impairment of property, plant & equipment	-	-
Operating loss	-	(878)
Finance costs	-	(21)
Loss before tax from discontinued operations	-	(899)
Tax	-	204
Loss for the year from discontinued operations	-	(695)

## Daniels Chilled Foods Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)

#### 11 Income tax – continuing operations

Tax credited in the income statement:

	2021 £ 000	2020 £ 000
<b>Current taxation</b>		
UK corporation tax – current year credit	(828)	-
UK corporation tax – prior year (credit)/charge	(171)	(386)
	(999)	(386)
<b>Deferred taxation</b>		
Deferred tax – current year charge/(credit)	944	(203)
Deferred tax – prior year charge	169	411
Deferred tax – impact of change in tax rates	162	(78)
	1,275	130
Tax charge/(receipt) in the income statement	276	(256)

The tax on profit/(loss) before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19.0% (2020 – 19.0%).

The differences are reconciled below:

	2021 £ 000	2020 £ 000
Profit/(loss) before tax – continuing operations	939	(1,836)
Corporation tax at standard rate	178	(349)
Decrease in current tax from adjustment for prior periods	(171)	(386)
Non-taxable income	(171)	-
Expenses not deductible	77	146
Deferred tax arising on assets acquired from group companies	32	-
Increase in deferred tax from adjustment for prior periods	169	411
Deferred tax (credit)/expense relating to changes in tax rates or laws	162	(78)
Total tax charge/(credit) – continuing operations	276	(256)

#### Factors that may affect future tax charges

The 2021 Budget included an announcement to increase the standard rate of corporation tax rate from 19% to 25% from 1 April 2023 which was substantively enacted in May 2021. As a result this increase has been taken into account in the measurement of deferred tax balances in these financial statements.

# Daniels Chilled Foods Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)

### 11 Income tax (continued)

#### Deferred tax

#### Deferred tax assets and liabilities

	Asset £ 000	Liability £ 000	Net deferred tax £ 000
<b>2021</b>			
Accelerated tax depreciation	-	(685)	(685)
Tax losses carried forward	-	-	-
Provisions	56	-	56
	<u>56</u>	<u>(685)</u>	<u>(629)</u>

	Asset £ 000	Liability £ 000	Net deferred tax £ 000
<b>2020</b>			
Accelerated tax depreciation	330	-	330
Tax losses carried forward	250	-	250
Provisions	66	-	66
	<u>646</u>	<u>-</u>	<u>646</u>

#### Deferred tax movement during the year:

	At 1 July 2020 £ 000	Recognised in income £ 000	At 30 June 2021 £ 000
Accelerated tax depreciation	330	(1,015)	(685)
Tax losses carried forward	250	(250)	-
Provisions	66	(10)	56
Net tax assets/(liabilities)	<u>646</u>	<u>(1,275)</u>	<u>(629)</u>

#### Deferred tax movement during the prior year:

	At 1 July 2019 £ 000	Recognised in income £ 000	At 30 June 2020 £ 000
Accelerated tax depreciation	75	255	330
Tax losses carried forward	-	250	250
Provisions	840	(774)	66
Net tax assets/(liabilities)	<u>915</u>	<u>(269)</u>	<u>646</u>

## Daniels Chilled Foods Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)

#### 12 Property, plant and equipment

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Motor vehicles £ 000	Other property, plant and equipment £ 000	Right of use assets £ 000	Total £ 000
<b>Cost</b>						
At 1 July 2020	7,844	5,803	175	21,346	8,864	44,032
Additions	1,980	2,873	-	2,259	968	8,080
Transferred to held for sale	(1,821)	-	-	-	-	(1,821)
Disposals	(512)	(630)	-	(65)	(4,665)	(5,872)
At 30 June 2021	7,491	8,046	175	23,540	5,167	44,419
<b>Depreciation</b>						
At 1 July 2020	3,634	1,145	175	7,712	4,091	16,757
Charge for the year	549	229	-	1,052	1,507	3,337
Impairment charge	191	255	-	723	-	1,169
Transferred to held for sale	(231)	-	-	-	-	(231)
Disposals	(487)	(630)	-	(64)	(3,875)	(5,056)
At 30 June 2021	3,656	999	175	9,423	1,723	15,976
<b>Carrying amount</b>						
At 30 June 2021	3,835	7,047	-	14,117	3,444	28,443
At 30 June 2020	4,210	4,658	-	13,634	4,773	27,275

Included within the net book value of land and buildings above is £3,835,000 (2020 - £4,210,000) in respect of long leasehold land and buildings.

**Assets held for sale** - Following the closure of the Leeming Bar facility, that property is being marketed for sale. Accordingly the related assets have been transferred from property, plant and equipment to assets held for sale and are shown net of the deferred grant income of £235,000.

	Buildings £ 000	Equipment £ 000	Vehicles £ 000	Total £ 000
<b>Right of use assets</b>				
<b>Cost</b>				
At 1 July 2020	7,293	266	1,305	8,864
Additions	145	430	393	968
Disposals	(3,860)	(118)	(687)	(4,665)
At 30 June 2021	3,578	578	1,011	5,167
<b>Depreciation</b>				
At 1 July 2020	3,476	108	507	4,091
Charge for the year	908	137	462	1,507
Disposals	(3,116)	(117)	(642)	(3,875)
At 30 June 2021	1,268	128	327	1,723
<b>Carrying Amount</b>				
At 30 June 2021	2,310	450	684	3,444
At 1 July 2020	3,817	158	798	4,773

## Daniels Chilled Foods Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)

#### 13 Intangible assets

	Goodwill £ 000	Contractual customer relationships £ 000	Total £ 000
<b>Cost or valuation</b>			
At 1 July 2020	-	905	905
Additions	40	-	40
At 30 June 2021	40	905	945
<b>Amortisation</b>			
At 1 July 2020 and 30 June 2021	-	905	905
<b>Carrying amount</b>			
At 30 June 2021	40	-	40
At 30 June 2020	-	-	-

Goodwill was acquired on the hive up of the trade and assets of The Yorkshire Provender Limited, which had initially measured goodwill at cost being the excess of the acquisition-date fair value of the consideration transferred over the net identifiable amounts of the assets acquired and the liabilities assumed in exchange for the business combination. Consequently, the company does not amortise goodwill, but reviews it for impairment on an annual basis or whenever there are indicators of impairment. The company is therefore invoking a 'true and fair view override' to overcome the prohibition on the non-amortisation of goodwill in the Companies Act. The impact of applying this override is a reduction of £2,000 in amortisation expense for the year ended 30 June 2021 (30 June 2020 - £nil)

#### 14 Investments.

Subsidiaries	Investments £ 000
<b>Cost or valuation and carrying amount</b>	
At 1 July 2020 and 30 June 2021	9,404

Details of the subsidiaries as at 30 June 2021 are as follows:

Name of subsidiary	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2021	2020
Farmhouse Fare Limited	Manufacturer of specialist puddings	UK	100%	100%
JFP Blackbird Limited	Non-trading	UK	100%	100%
The New Covent Garden Food Company Limited	Non-trading	UK	100%	100%
SR Blackbird Limited	Non-trading	UK	100%	100%
Daniels Group Limited	Non-trading	UK	100%	100%
JFSJ Blackbird Limited	Non-trading	UK	100%	100%
The New Covent Garden Soup Company Limited	Non-trading	UK	100%	100%

The registered address for all of the above is: Templar House, 4225 Park Approach, Thorpe Park, Leeds, LS15 8GB

## Daniels Chilled Foods Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)

#### 15 Inventories

	2021 £ 000	2020 £ 000
Raw materials and consumables	1,299	1,356
Work in progress	22	7
Finished goods and goods for resale	410	274
	<u>1,731</u>	<u>1,637</u>

#### 16 Trade and other receivables

	2021 £ 000	2020 £ 000
Trade receivables	11,570	9,157
Receivables from related parties – parent companies	76,411	51,787
Receivables from related parties – other group companies	7,976	26,541
Prepayments	2,423	3,096
Other receivables	741	705
Total current trade and other receivables	<u>99,121</u>	<u>91,286</u>

#### 17 Share capital

##### Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £0.01 each	111,520	1,115	111,520	1,115

#### 18 Lease liabilities

##### Maturity analysis

	2021 £ 000	2020 £ 000
Within one year	1,097	2,983
In two to five years	1,970	2,575
In over five years	830	966
	<u>3,897</u>	<u>6,524</u>



## Daniels Chilled Foods Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)

#### 18 Lease liabilities (continued)

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date as follows:

	2021 £ 000	2020 £ 000
Current liabilities	971	2,983
Non-current liabilities	2,607	3,541
	<u>3,578</u>	<u>6,524</u>

The following shows how lease expenses have been included in Profit and Loss, broken down between amounts charged to operating profit and amounts charged to finance costs:

	2021 £ 000	2020 £ 000
Depreciation of right of use assets – Property (note 12)	908	1,010
Depreciation of right of use assets – Plant, other equipment and vehicles (note 12)	599	829
Charge to operating profit	1,507	1,839
Interest expense related to lease liabilities	91	124
Charge to profit before taxation	<u>1,598</u>	<u>1,963</u>

#### Additional lease cash flow information:

Cash outflow relating to operating activities	3,231	2,430
Cash outflow relating to financing activities	91	124
Total cash outflow relating to leases	<u>3,322</u>	<u>2,554</u>

The fair value of the company's lease obligations is approximately equal to their carrying amount.

## Daniels Chilled Foods Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)

#### 19 Trade and other payables

	2021 £ 000	2020 £ 000
Trade payables	5,097	1,690
Accrued expenses	5,356	3,771
Current lease liabilities (note 18)	971	2,983
Amounts due to related parties – parent companies	5,146	6,309
Amounts due to related parties – subsidiary companies	31,278	26,950
Amounts due to related parties – other group companies	80,859	81,202
Social security and other taxes	667	488
	129,374	123,393

#### 20 Commitments

##### Capital commitments

During the year, the Company entered into contracts to purchase property, plant and equipment. The commitments are expected to be settled in the following financial year.

The total amount contracted for but not provided in the financial statements was £552,000 (2020 - £352,000).

#### 21 Provisions

	At 1 July 2020 £ 000	Recognised in the year £ 000	Effect of discounting £ 000	Released to profit & loss	Utilised £ 000	At 30 June 2021 £ 000
Lease restoration provision						
- current	650	526	-	-	(676)	500
- non current	1,679	(526)	24	(228)	-	949
Onerous lease provision						
- current	180	81	10	-	(213)	58
- non current	81	(81)	-	-	-	-
	2,590	-	34	(228)	(889)	1,507

##### Lease restoration provision

The company has an obligation under certain property leases to remove property, plant and equipment it has installed and restore the property to an agreed condition, subject to fair wear and tear, at the end of those leases. The company has estimated the liabilities expected to arise based on past experience of restoration costs incurred at the end of similar property leases. As the liability is expected to arise in future periods, as the leases expire between 2017 and 2029, the provision has been discounted to present value. As the discount unwinds interest is recognised in the income statement. An asset has been recognised in property, plant and equipment for this discounted amount, which will be depreciated straight line over the remaining life of these leases in order to recognize the cost in the income statement.

## Daniels Chilled Foods Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)

#### 21 Provisions (continued)

##### Onerous lease provision

Provisions are made for obligations under onerous operating leases when properties are not used by the Company and the net costs of exiting from the leases exceed the economic benefits expected to be received. The provision is based on the present value of expected future cashflows relating to rents, rates and other property costs to the end of the lease terms net of expected sub-let income. The provision relates to leases that expire over the period to 2030.

Subsequent to 30 June 2021, a settlement was reached with the landlord of one of these properties to terminate the lease early. At the same time an agreement was reached with the landlord to settle leasehold restoration liabilities relating to the same property lease. The terms of these agreements have been reflected in remeasuring the provisions remaining at 30 June 2021 shown in the table above.

#### 22 Related party transactions

As stated in note 2 the Company has taken advantage of the exemptions from the requirement to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and from the requirement to disclose Key Management Personnel remuneration.

There are no other related party transactions that require disclosure.

#### 23 Acquisitions

On 1 October 2020, the trade and certain assets of a fellow group subsidiary The Yorkshire Provender Limited were acquired for proceeds equal to the book value of the assets purchased. The assets and liabilities acquired were as follows:

	£ 000
Goodwill	40
Property, plant & equipment	2,972
Inventories	600
Prepayments & other debtors	263
Cash	15
Accruals	(1,716)
Lease liabilities	(31)
	<u>2,143</u>

#### 24 Parent and ultimate parent undertaking

The Company's immediate parent is S Daniels Limited. The ultimate parent and ultimate controlling party is The Hain Celestial Group, Inc.

The most senior parent entity producing publicly available financial statements (in whose consolidated financial statements the Company's financial statements are consolidated) is The Hain Celestial Group, Inc. These financial statements are available upon request from 1111 Marcus Ave, Lake Success, NY 11042, USA.