

Company registration number 03174495 (England and Wales)

THE REAL YORKSHIRE PUDDING CO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

THE REAL YORKSHIRE PUDDING CO LIMITED

COMPANY INFORMATION

Directors	Mr P G Airey Mr C R Payne Mr P Simmonds Mr R Davies
Company number	03174495
Registered office	Coulman Road Industrial Estate Thorne Doncaster South Yorkshire DN8 5JS
Auditor	Henton & Co LLP Northgate 118 North Street Leeds West Yorkshire LS2 7PN

THE REAL YORKSHIRE PUDDING CO LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 20

THE REAL YORKSHIRE PUDDING CO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report and financial statements for the year ended 31 March 2023.

Principal activity

The principal activity of company is that of a food manufacturer, specialising in Yorkshire Puddings and associated products.

Review of the business

The Group delivered sales growth across all categories, including the core chilled and gluten free Yorkshire Pudding range. The Group supplies into major multiple retailers with whom the distribution of a wider range of products with increased penetration continues to be a focus.

The development of 'The Real Yorkshire Pudding Co.' brand has also continued through new product development and increased brand awareness. In 2022/23 we launched our Vegan Toad in the Hole which was awarded a Gold award in the Best Vegan Ready Meal Category 2023 by Vegan Food and Living, and is now available through multiple retail outlets with wider distribution planned for later this year.

Our branded products are available throughout the major retailers with sales having grown 47% year on year, accounting for 16.0% of total sales (11.6% - 2021/22). This includes wider distribution for the Group's gluten free Yorkshire Puddings, in both the chiller and freezer, and new listings of our delicious Toad in the Hole.

Overall top line growth of 6% includes the impact of cost price increases which have been minimised but unavoidable, given the unprecedented inflationary environment seen by the whole food industry. The annual rate of UK food inflation increased to 19.1% in the 12 months to March 2023 – its fastest pace for over 40 years, not helped by the situation in Ukraine which continues to disrupt supply chains.

Structural issues in the egg market also presented a challenge in 2022 and 2023 following availability issues in the UK. Management's effective procurement strategy and long-term supplier relationships minimised the impact on our customers, with service levels maintained above 99%.

Increases in the cost of egg however were unavoidable with suppliers' applying surcharges to long term positions and significantly higher prices being demanded across the market. This inflationary environment has been navigated in 2022/23 through a combination of strong commercial relationships with retail partners, cost saving initiatives, procurement strategies and pricing.

Against this backdrop 'The Real Yorkshire Pudding Co' has delivered its most ambitious capital plan with over £1.6m invested in the financial year to 31st March 2023. Investment at the main site has expanded our existing capacity, improved overall efficiency, and created a new production area – positioning the Group well to service its customers, deliver growth in the year(s) ahead and roll out exciting future developments

The Group's overall strategy remains that of growth with the development and launch of new products that complement our range and brand. We have continued to invest in our people, research and developments, products and facility.

THE REAL YORKSHIRE PUDDING CO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Principal risks and uncertainties

The Board have carried out a robust assessment of the principal risks facing the Group as the delivery of our strategic objectives and sustainable growth of our business, is dependent on effective risk management.

The business operates in a changing environment and as a result the risks it faces change over time, however through a structured approach we can mitigate and manage these risks. This approach remains effective as we face increased economic volatility resulting from the aftermath of COVID-19, which has been exacerbated by the war in Ukraine and further inflationary pressure across a range of commodities. We have reported on those that we believe are likely to have the greatest current or near-term impact on our strategic and operational plans.

The global inflationary impacts of COVID-19 and war in Ukraine has resulted in economic uncertainty and has adversely impacted energy pricing, commodity costs and supply chains. We continue to monitor price inflation and seek to mitigate this principal risk through recovery, either directly or indirectly, from our customers or where possible offset these through increased operational efficiency/productivity.

The Cost of Living crisis is also putting pressure on household budgets as a result of high inflation, increased interest rates and general economic uncertainty. This means that some consumers are having to make difficult choices and the full consequences on our business remain uncertain with the impact likely to be determined by the duration and extent of any economic downturn.

The Group operates from a single site and delivery of our Plan depends on the ability to minimise operational disruption to site, whether that be from our infrastructure, staffing levels, procurement or logistics. Supplier failure, market shortage or an adverse event in our supply chain could also impact both the availability and cost of raw materials / packaging. Management minimise this procurement risk by maintaining good supplier relations, limiting single source supplies and using primary hauliers where appropriate

Compliance with the technical manufacturing standards expected by retailers also continues to be a business priority. We encourage relevant and proactive dialogue across key functions with our customers and suppliers in order to develop relationships and ensure satisfactory results with the service and products we deliver.

The Group continues to build on new and existing customer relationships focussing on product quality and excellent service into the food retail market.

Investment in people and working alongside our key strategic partners remains key to delivering the next stage of growth. The business and its expanded Development Team is currently working on several exciting branded and non-branded opportunities which will widen the product offering and complement the existing range

Recent investments are delivering improved efficiency through the factory and ongoing investment is set to build on this. An ambitious capital plan in 2023/24 will exceed £1.5m, including the addition of a second site located close by.

The Board and management team remain committed to successfully delivering the Group strategy and taking the business to the next stage of growth, exploring M&A opportunities as they arise and broadening the existing portfolio.

On behalf of the board

Mr P G Airey
Director

19 September 2023

THE REAL YORKSHIRE PUDDING CO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

The principal activity of the company continued to be that of the manufacture and sale of Yorkshire puddings.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr P G Airey
Mr C R Payne
Mr P Simmonds
Mr R Davies

Auditor

The auditor, Henton & Co LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

THE REAL YORKSHIRE PUDDING CO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

On behalf of the board

Mr P G Airey
Director

19 September 2023

THE REAL YORKSHIRE PUDDING CO LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE REAL YORKSHIRE PUDDING CO LIMITED

Opinion

We have audited the financial statements of The Real Yorkshire Pudding Co Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 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 Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our 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 our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 the directors' report have been prepared in accordance with applicable legal requirements.

THE REAL YORKSHIRE PUDDING CO LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE REAL YORKSHIRE PUDDING CO LIMITED

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 the directors' report.

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

- adequate accounting records have not been kept, 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 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, 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Reviewed the nature of the industry and sector, the control environment and business performance for the year.
- Identifying the laws and regulations the company operates within and enquiring with management if they are aware of any non compliance issues.
- Discussed how and where fraud may occur with all members of the audit engagement team.
- In line with all audits under ISAs (UK) we were required to perform tests to respond to the risk of management override. We tested the appropriateness of journal entries, evaluated the judgements made for accounting estimates to assess if any bias, and assessed the rationale behind any significant or unusual transactions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.

THE REAL YORKSHIRE PUDDING CO LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE REAL YORKSHIRE PUDDING CO LIMITED

Chris Howitt
Senior Statutory Auditor
For and on behalf of Henton & Co LLP

19 September 2023

Chartered Accountants
Statutory Auditor

Northgate
118 North Street
Leeds
West Yorkshire
LS2 7PN

THE REAL YORKSHIRE PUDDING CO LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	3	24,995,171	23,606,240
Cost of sales		(18,351,786)	(16,005,047)
Gross profit		6,643,385	7,601,193
Administrative expenses		(4,950,884)	(4,812,037)
Other operating income		-	33
Operating profit	4	1,692,501	2,789,189
Interest payable and similar expenses	6	(22,941)	(13,770)
Profit before taxation		1,669,560	2,775,419
Tax on profit	7	(627,489)	(750,168)
Profit for the financial year		1,042,071	2,025,251

The profit and loss account has been prepared on the basis that all operations are continuing operations.

THE REAL YORKSHIRE PUDDING CO LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		3,857,525		2,788,832
Current assets					
Stocks	10	898,784		1,017,572	
Debtors	11	3,997,487		3,281,444	
Cash at bank and in hand		56,695		694,532	
		<u>4,952,966</u>		<u>4,993,548</u>	
Creditors: amounts falling due within one year	12	<u>(3,319,650)</u>		<u>(3,377,114)</u>	
Net current assets			1,633,316		1,616,434
Total assets less current liabilities			5,490,841		4,405,266
Creditors: amounts falling due after more than one year	13		(449,989)		(516,657)
Provisions for liabilities					
Deferred tax liability	15	305,838		195,666	
		<u>(305,838)</u>		<u>(195,666)</u>	
Net assets			<u>4,735,014</u>		<u>3,692,943</u>
Capital and reserves					
Called up share capital	17		40		40
Profit and loss reserves			4,734,974		3,692,903
Total equity			<u>4,735,014</u>		<u>3,692,943</u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 19 September 2023 and are signed on its behalf by:

Mr P G Airey
Director

Company registration number 03174495 (England and Wales)

THE REAL YORKSHIRE PUDDING CO LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 April 2021		40	3,667,652	3,667,692
Year ended 31 March 2022:				
Profit and total comprehensive income		-	2,025,251	2,025,251
Dividends	8	-	(2,000,000)	(2,000,000)
Balance at 31 March 2022		40	3,692,903	3,692,943
Year ended 31 March 2023:				
Profit and total comprehensive income		-	1,042,071	1,042,071
Balance at 31 March 2023		40	4,734,974	4,735,014

THE REAL YORKSHIRE PUDDING CO LIMITED

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key areas of judgement and estimation relate to provisions against stocks and doubtful debt, but the directors are satisfied that there is no significant risk of material misstatement arising.

2 Accounting policies

Company information

The Real Yorkshire Pudding Co Limited is a private company limited by shares incorporated in England and Wales. The registered office is Coulman Road Industrial Estate, Thorne, Doncaster, South Yorkshire, DN8 5JS.

2.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has applied the disclosure exemptions available within FRS 102 as a result of it being a subsidiary of Go2 Foods Limited, a company which has prepared consolidated accounts to 31 March 2022. As a result, these financial statements do not include a statement of cash flows.

2.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost net of depreciation and any impairment losses.

THE REAL YORKSHIRE PUDDING CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land and buildings freehold	4% straight line
Plant and machinery	20% reducing balance
Fixtures, fittings & equipment	33% reducing balance

Land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

THE REAL YORKSHIRE PUDDING CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies

(Continued)

2.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

2.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE REAL YORKSHIRE PUDDING CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an 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 profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Other financial liabilities

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

2.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

2.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

THE REAL YORKSHIRE PUDDING CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

3 Turnover

An analysis of the company's turnover is as follows:

	2023	2022
	£	£
Turnover analysed by class of business		
Manufacture and sale of Yorkshire puddings	24,995,171	23,606,240

THE REAL YORKSHIRE PUDDING CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Turnover (Continued)

	2023 £	2022 £
Turnover analysed by geographical market		
UK	24,819,402	23,457,085
Europe	51,264	30,939
Rest of World	124,505	118,216
	<u>24,995,171</u>	<u>23,606,240</u>

4 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	10,500	9,500
Depreciation of owned tangible fixed assets	560,046	369,861
Loss on disposal of tangible fixed assets	3,686	-
	<u>574,232</u>	<u>389,361</u>

5 Employees

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

	2023 Number	2022 Number
Production staff	190	196
Administrative staff	16	17
Total	<u>206</u>	<u>213</u>

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	4,754,082	4,824,931
Social security costs	399,982	330,726
Pension costs	115,131	73,304
	<u>5,269,195</u>	<u>5,228,961</u>

6 Interest payable and similar expenses

	2023 £	2022 £
Interest on bank overdrafts and loans	<u>22,941</u>	<u>13,770</u>

THE REAL YORKSHIRE PUDDING CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	517,317	706,789
Deferred tax		
Origination and reversal of timing differences	110,172	43,379
Total tax charge	627,489	750,168

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	1,669,560	2,775,419
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	317,216	527,330
Tax effect of expenses that are not deductible in determining taxable profit	279,261	268,494
Permanent capital allowances in excess of depreciation	(42,372)	(68,197)
Research and development tax credit	(36,787)	(20,839)
Deferred tax movements during the year	110,171	43,380
Taxation charge for the year	627,489	750,168

8 Dividends

	2023 £	2022 £
Final paid	-	2,000,000

THE REAL YORKSHIRE PUDDING CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Tangible fixed assets

	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 April 2022	2,088,587	3,739,365	398,222	6,226,174
Additions	465,712	1,135,945	30,768	1,632,425
Disposals	-	(9,000)	-	(9,000)
At 31 March 2023	2,554,299	4,866,310	428,990	7,849,599
Depreciation and impairment				
At 1 April 2022	415,889	2,714,017	307,436	3,437,342
Depreciation charged in the year	85,872	433,823	40,351	560,046
Eliminated in respect of disposals	-	(5,314)	-	(5,314)
At 31 March 2023	501,761	3,142,526	347,787	3,992,074
Carrying amount				
At 31 March 2023	2,052,538	1,723,784	81,203	3,857,525
At 31 March 2022	1,672,698	1,025,348	90,786	2,788,832

10 Stocks

	2023 £	2022 £
Raw materials and consumables	738,180	747,163
Finished goods and goods for resale	160,604	270,409
	898,784	1,017,572

11 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	3,380,370	2,863,578
Other debtors	304,183	174,581
Prepayments and accrued income	312,934	243,285
	3,997,487	3,281,444

THE REAL YORKSHIRE PUDDING CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	14	66,668	66,668
Trade creditors		2,432,654	2,219,688
Corporation tax		274,428	343,110
Other taxation and social security		111,635	106,673
Other creditors		899	554
Accruals and deferred income		433,366	640,421
		<u>3,319,650</u>	<u>3,377,114</u>

13 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans and overdrafts	14	<u>449,989</u>	<u>516,657</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>133,336</u>	<u>183,337</u>
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14 Loans and overdrafts

	2023 £	2022 £
Bank loans	<u>516,657</u>	<u>583,325</u>
Payable within one year	66,668	66,668
Payable after one year	<u>449,989</u>	<u>516,657</u>

The bank loans are secured by:

- a first legal mortgage over the freehold property of the company;
- a debenture comprising fixed and floating charges over all the assets and undertaking of the company;
- a debenture comprising fixed and floating charges over all the assets and undertaking of RYPC Holdings Limited;
- a debenture comprising fixed and floating charges over all the assets and undertaking of Go2 Foods Limited; and
- an unlimited composite company guarantee given by the company, RYPC Holdings Limited and Go2 Foods Limited to secure the liabilities of each other.

The company's bank loan is repayable over fifteen years in equal quarterly instalments. Interest charged is at 1.95% per annum over the published Bank of England base rate.

THE REAL YORKSHIRE PUDDING CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2023 £	Liabilities 2022 £
Balances:		
ACAs	305,838	195,666
Movements in the year:		2023 £
Liability at 1 April 2022		195,666
Charge to profit or loss		110,172
Liability at 31 March 2023		305,838

16 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	115,131	73,304

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	40	40	40	40

18 Ultimate controlling party

The ultimate parent company is Go2 Foods Limited, a company incorporated in England and Wales. Go2 Foods Limited does not have an ultimate controlling party.

The consolidated accounts of Go2 Foods Limited can be obtained from that company at Coulman Road Industrial Estate, Thorne, Doncaster, DN8 5JS.

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