

**Company Registration No. 03636168**

**NOBLE FOODS LIMITED**

**Annual Report and Financial Statements**

**53 week period ended 2 October 2020**



# **NOBLE FOODS LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS 2020**

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# **NOBLE FOODS LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS 2020**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

D Everett  
J Patey

#### **REGISTERED OFFICE**

Cotswold Farm  
Standlake  
Witney  
Oxfordshire  
OX29 7RB

#### **AUDITOR**

Deloitte LLP  
Statutory Auditor  
Birmingham  
United Kingdom

# **NOBLE FOODS LIMITED**

## **STRATEGIC REPORT**

The directors present their strategic report for the 53 week period ended 2 October 2020.

### **PRINCIPAL ACTIVITIES**

The core activities of the Company are the production and sale of shell eggs predominantly in the UK.

### **REVIEW OF THE BUSINESS**

The directors are pleased with the results for the year. The after tax losses of £4.9m (2019: profit of £5.8m), stated after losses on revaluation of property of £8.3m (2019: £nil), on turnover of £312.4m (2019: £314.2m) are as expected. The company has net assets of £64.3m (2019: £71.4m). The market place in which the company operates continues to be challenging.

There is continuing competitive pressure which always drives us to reducing our costs and improving our efficiencies.

The Company has committed banking facilities in place until 2024.

### **KEY PERFORMANCE INDICATORS (KPI's)**

The directors consider earnings before interest, taxation, depreciation and amortisation (EBITDA) to be the core KPI of the business. EBITDA for the period is £11.9m (2019: £14.7m).

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties facing the company are as follows:

- General competitive pressure in the market place.
- Avian influenza outbreaks, if widespread, could be a risk to the company's ability to supply eggs to its customers. The company is however better placed than most of its competitors as the company covers the whole of the UK with its supply base and therefore is likely to benefit from an Avian Influenza outbreak in terms of profits earned.

### **SECTION 172(1) STATEMENT**

During the financial year the directors have complied with their duty to have regard to the matters in section 172 (1) (a)-(f) of the Companies Act 2006. The directors believe that they have acted in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

#### *Stakeholder engagement*

The directors consider that the key stakeholders of the Company are those impacted by the inputs and outputs of the Company. These are (in no particular order): customers, suppliers, employees, banks, government organisations and industry regulators. The Company engages with each stakeholder with the appropriate level of detail and frequency depending on their specific requirements and level of influence and interest.

The directors foster the Company's mutually beneficial business relationships with stakeholders through positive interactions during meetings, written communication and site visits. The process for engaging with and involving our employees is described in more detail in the Directors Report.

The Company's customers are mainly based in the United Kingdom, although the Company is involved in some limited trade with the European Union. The Company's suppliers are mainly vendors and farmers based in the United Kingdom which provide goods and services that enable the Company to carry out its principal activities. The directors ensure that the Company acts responsibly, and in compliance with statutory regulatory and industry code's of practice, when dealing with its supply base.

The Company has established procedures with regard to ethical business practices, health and safety and human rights.

# NOBLE FOODS LIMITED

## STRATEGIC REPORT

### SECTION 172(1) STATEMENT (Continued)

#### *Principal decisions*

Principal decisions are those that are material to the Company and to the above stakeholder groups. During the financial year, the Company has taken a number of operational and strategic decisions that the directors consider are for the benefit of the Company, with a view to promoting its long-term success and sustainability. Specific, but non exhaustive, examples include: preparation and review of the annual budget and forecasts, customer and supplier price reviews, analysis of and response to market dynamics in the egg sector and consideration of the organisational structure of the business.

### STREAMLINED ENERGY AND CARBON REPORTING

A Streamlined Energy and Carbon report has not been included within this report, as a version has been included in the Strategic Report of the Company's parent, Noble Foods Group Limited.

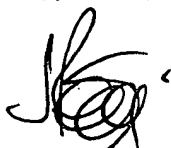
### FUTURE DEVELOPMENTS

The directors expect the general level of activity to remain consistent in the forthcoming year. The directors' focus will be to improve margin and grow profit whilst ensuring the cost base continues to remain appropriate for the business.

The directors are actively monitoring the impacts that the UK's withdrawal from the European Union and the recently agreed UK-EU Trade and Co-Operation Agreement may have upon the Company. However given the Company is predominantly UK based with a well-established workforce, the directors don't believe there will be significant supply chain, workforce or other issues for the Company as a consequence.

The directors also continually monitor the impact of Covid-19, and associated lockdowns, on both the operations and commercial performance of the Company. To ensure continuity of operations the business has invested in social distancing infrastructure and ensured that it has a robust supply chain in place. As a business operating in the food production sector, commercial performance has remained robust during the Covid-19 pandemic, and the directors expect this to continue to be the case.

Approved by the Board and signed on its behalf by:



J Patey  
Director

Date 27 January 2021

# **NOBLE FOODS LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report for the 53 week period ended 2 October 2020.

### **BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

A review of the Company and future developments is included in the strategic report on page 2.

### **DIVIDENDS**

Dividends of £5,000,000 (2019: £5,000,000) were paid to the immediate parent company Noble Foods Holdings Limited during the year. No dividends were proposed at the year end (2019: £Nil).

### **GOING CONCERN**

As disclosed on page 15 of the financial statements, the directors consider the company to be a going concern.

### **DIRECTORS**

The directors who served during the year and subsequently, unless otherwise stated, were:

D Everett (appointed 15 September 2020)

D Burnett (reigned 15 September 2020)

J Patey

### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's activities expose it to a number of financial risks including cash flow risk, credit risk and liquidity risk.

#### *Cash flow risk*

The Company's activities expose it to the risk of changes in interest rates and to fuel prices.

The Company does not hedge its interest rate exposure, but continuously monitors net debt and to ensure exposure is effectively managed.

The Company has entered into cash settled forward contracts in order to manage its exposure to changes in fuel prices.

#### *Credit risk*

The Company's principal financial assets are bank balances and trade debtors.

The Company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The Company continuously monitors its exposure to credit risk and has minimal levels of doubtful debts.

The credit risk associated with cash at bank is limited because the counterparties are banks with high credit ratings.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

# **NOBLE FOODS LIMITED**

## **DIRECTORS' REPORT (continued)**

### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company has external finance as part of a Group arrangement and consequently the Company has intercompany borrowings. See note 15 for further details.

### **DISABLED EMPLOYEES**

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### **EMPLOYEE CONSULTATION**

The Company places value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal team and divisional meetings, employee surveys, internal and external training and seminars and individual performance reviews. Employees also have access to a Group online portal and magazine. The objective of such engagement is to maintain the best performance possible from employees of the Company.

### **AUDITOR**

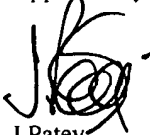
Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The directors' have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:



J Patey  
Director

Date: 27 January 2021

## **NOBLE FOODS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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 FRS102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOBLE FOODS LIMITED**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements of Noble Foods Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 2 October 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the statement of changes in equity;
- the balance sheet;
- the cash flow statement; and
- the related notes 1 to 26.

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).

### **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 Financial Reporting Council's (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**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOBLE FOODS LIMITED (continued)**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

### **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.

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

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOBLE FOODS LIMITED**

## **Report on other legal and regulatory requirements**

### **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 period 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.

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 any material misstatements in the strategic report or the directors report.

### **Matters on which we are required to report by exception**

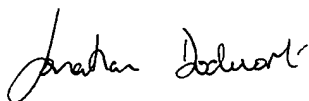
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

### **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.



Jonathan Dodworth (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Birmingham, United Kingdom

27 January 2021

# NOBLE FOODS LIMITED

## PROFIT AND LOSS ACCOUNT

	Note	53 weeks ended 2 October 2020 £'000	52 weeks ended 27 September 2019 £'000
<b>TURNOVER</b>	3	312,448	314,224
Cost of sales		(273,577)	(277,935)
Gross profit		38,871	36,289
Distribution costs		(18,437)	(17,278)
Administrative expenses (including revaluation of freehold land and buildings)		(22,430)	(10,081)
Operating profit before revaluation of freehold land and buildings		6,257	8,930
Revaluation of freehold land and buildings		(8,253)	-
Operating (loss)/profit after revaluation of freehold land and buildings		(1,996)	8,930
<b>OPERATING (LOSS)/PROFIT</b>	4	(1,996)	8,930
Interest receivable and similar income	6	2,752	3,321
Interest payable and similar charges	6	(5,109)	(5,371)
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(4,353)	6,880
Taxation of profit	7	(569)	(1,104)
<b>(LOSS)/PROFIT FOR THE FINANCIAL PERIOD</b>		(4,922)	5,776

All activities in the current and preceding periods relate to continuing activities.

# NOBLE FOODS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

	Note	53 weeks 2020 £'000	52 weeks 2019 £'000
<b>(Loss)/profit for the financial period</b>		(4,922)	5,776
Actuarial gain/(loss) net of deferred tax relating to pension scheme	22	883	(208)
Foreign exchange movements		(66)	(87)
Gains on revaluation of tangible fixed assets net of deferred tax		2,036	239
<b>Other comprehensive income/(expense)</b>		2,853	(56)
<b>Total Comprehensive (expense)/income</b>		<u>(2,069)</u>	<u>5,720</u>

# NOBLE FOODS LIMITED

## STATEMENT OF CHANGES IN EQUITY

	Called up share capital £'000	Share premium £'000	Reval- uation reserve £'000	Profit and loss account £'000	Total £'000
<b>At 28 September 2018</b>	<b>1,000</b>	<b>2,885</b>	<b>8,877</b>	<b>57,871</b>	<b>70,633</b>
Profit for the financial period	-	-	-	5,776	5,776
Actuarial loss net of deferred tax relating to pension scheme	-	-	-	(208)	(208)
Foreign exchange movements	-	-	-	(87)	(87)
Gains on revaluation of tangible fixed assets net of deferred tax	-	-	239	-	239
Additional depreciation on revalued cost of assets	-	-	(73)	73	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>166</b>	<b>5,554</b>	<b>5,720</b>
Dividends paid (note 19)	-	-	-	(5,000)	(5,000)
<b>At 27 September 2019</b>	<b>1,000</b>	<b>2,885</b>	<b>9,043</b>	<b>58,425</b>	<b>71,353</b>
Loss for the financial period	-	-	-	(4,922)	(4,922)
Actuarial gain net of deferred tax relating to pension scheme	-	-	-	883	883
Foreign exchange movements	-	-	-	(66)	(66)
Gain on revaluation of tangible assets net of deferred tax	-	-	2,036	-	2,036
Additional depreciation on revalued cost of assets	-	-	(1,214)	1,214	-
<b>Total comprehensive expense</b>	<b>-</b>	<b>-</b>	<b>822</b>	<b>(2,891)</b>	<b>(2,069)</b>
Dividends paid (note 19)	-	-	-	(5,000)	(5,000)
<b>At 2 October 2020</b>	<b>1,000</b>	<b>2,885</b>	<b>9,865</b>	<b>50,534</b>	<b>64,284</b>

# NOBLE FOODS LIMITED

## BALANCE SHEET

	Note	2 October 2020 £'000	27 September 2019 £'000
<b>FIXED ASSETS</b>			
Goodwill	8	398	500
Other intangible assets	8	836	970
Tangible assets	9	69,630	74,251
Investments	10	761	761
Pension surplus	22	4,646	3,411
		<u>76,271</u>	<u>79,893</u>
<b>CURRENT ASSETS</b>			
Stocks	11	11,736	10,896
Debtors due within one year	12	127,854	155,057
Cash at bank and in hand		8,062	7,853
		<u>147,652</u>	<u>173,806</u>
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(155,103)</u>	<u>(177,448)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(7,451)</u>	<u>(3,642)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		68,820	76,251
<b>CREDITORS: amounts falling due after more than one year</b>	14	-	(950)
Provisions for liabilities	16	<u>(4,536)</u>	<u>(3,948)</u>
<b>NET ASSETS</b>		<u>64,284</u>	<u>71,353</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	1,000	1,000
Share premium		2,885	2,885
Revaluation reserve		9,865	9,043
Profit and loss account		<u>50,534</u>	<u>58,425</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>64,284</u>	<u>71,353</u>

The financial statements of Noble Foods Limited registered number 03636168 were approved by the Board of Directors and authorised for issue on **27 January 2021**.

Signed on behalf of the Board of Directors

  
J Patex  
Director

# NOBLE FOODS LIMITED

## CASH FLOW STATEMENT

	Note	53 weeks 2020 £'000	52 weeks 2019 £'000
Net cash flows from operating activities	23	16,112	14,414
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(10,520)	(12,128)
Receipts from sale of tangible fixed assets		1,254	818
Net cash flows from investing activities		(9,266)	(11,310)
Cash flows from financing activities			
Interest paid		(429)	(2,503)
Repayment of borrowings		(1,208)	(1,641)
Proceeds from borrowings		-	12,785
Dividends paid		(5,000)	(5,000)
Net cash flows from financing activities		(6,637)	3,641
Net increase in cash and cash equivalents		209	6,745
Cash at beginning of period		7,853	1,108
Cash at end of period		8,062	7,853

There were no cash equivalents at either period end.

# NOBLE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

53 week period ended 2 October 2020

### 1. ACCOUNTING POLICIES

Noble Foods Limited is a company incorporated in the United Kingdom under the Companies Act. The Company is a private company limited by shares and registered in England and Wales. The address of the Company's registered office is shown on page 1. The financial year represents the 53 weeks ending 2 October 2020 (prior financial year 52 weeks ending 27 September 2019). The Company has taken advantage of Section 390 of the Companies Act 2006 to prepare accounts for a financial period ended 2 October 2020, being within seven days of the accounting reference date.

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and derivative financial instruments, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and preceding year.

#### Going concern

The financial statements have been prepared on a going concern basis after due consideration of the principal risks and uncertainties disclosed in the Directors' Report and Strategic Report. In reaching their conclusion the Company's directors have considered the financial position of the Company and the wider Group along with a parent letter of support provided.

In placing reliance on the parent letter of support, the Company's Board has given regard to the group wide forecasts produced by management. These forecasts have been sensitised to reflect plausible downside scenarios which have been reviewed by the Group's Board of Directors. In producing these forecasts, the Group Directors have had regard to the effects of the current Covid-19 pandemic and underlying market conditions upon the business along with the higher than usual levels of uncertainty created.

The forecasts demonstrate that the Group is projected to generate profits and cash inflows and that the Group has sufficient liquidity to enable the Group to meet its obligations as they fall due for a period of at least twelve months from the date of signing these financial statements. The major variables in these forecasts are a) the continuing depth and duration of the Covid-19 pandemic, and b) the extent to which the supply of egg in the UK market remains in balance with demand.

In considering these forecasts the Group Directors have taken into account the Group's borrowing facilities (which are in place until March 2024) and the related leverage covenants. Whilst the directors are confident that the Group has adequate liquidity headroom, there existed a material risk of breaching leverage covenants over the next twelve months. Agreement has been reached with the Group's banking syndicate to relax the leverage covenant for a period that covers 12 months from the date of signing these financial statements. The Group Directors believe that the forecasts produced demonstrate that the Group will be able to operate within these revised covenants, and have prepared a stress test to evaluate the EBITDA reduction necessary to breach these revised covenants. Further, the Group Directors are confident that the Group has saleable assets of material value, the disposal of which will not impact the operations of the core business, which could be realised in the medium-term.

As such, the directors of the Company are satisfied that the Company has adequate resources to continue to operate for the foreseeable future (and not for less than twelve months from the date of signing these financial statements). For this reason they continue to adopt the going concern basis for preparing these financial statements.

#### Consolidated accounts

The directors have relied on the exemption from preparing group accounts under section 400 of the Companies Act 2006 as the Company is an intermediate parent undertaking within the Group headed by Noble Foods Group Limited, which prepares consolidated accounts for the Group. The financial statements therefore present information about the Company as an individual undertaking and not about its group.

# NOBLE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

53 week period ended 2 October 2020

### 1. ACCOUNTING POLICIES (CONTINUED)

#### Turnover

Turnover is recognised when the significant risks and rewards are considered to have transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer.

#### Intangible fixed assets

Intangible assets are amortised on a straight line basis over their life of ten years. Provision is made for any impairment. Amortisation is charged to cost of sales.

#### Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life of ten years. Provision is made for any impairment.

#### Tangible fixed assets

Tangible fixed assets are stated at cost or valuation net of depreciation and any provision for impairment.

Freehold land is not depreciated. Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives. The freehold land and buildings were valued by the directors at the balance sheet date based on an independent valuation performed by Bidwells Property Consultants, a professional firm of chartered surveyors, on an existing use basis in November 2020. Individual freehold properties are revalued with sufficient regularity to ensure that their carrying amount doesn't differ materially from that which would be determined using fair value at the end of the reporting period. Any surplus or deficit on book value arising from a full valuation is transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus.

The rates of depreciation are as follows:

Freehold buildings	2-10% per annum
Plant and machinery, fixtures and fittings	2.5-25% per annum

The Company operates certain equipment which are purchased and sold in US Dollars, and which are funded through dollar denominated loans. On the disposal of these assets, the dollar proceeds will be used to repay the balances remaining on the dollar loans. The Company considers that a natural hedge exists and therefore under Section 30 of FRS 102 both the owned equipment and associated loans are re-translated within a branch using the year end exchange rate with the resulting differences being taken to reserves. Associated tax movements are also taken to reserves.

#### Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

#### *Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value, unless the arrangement constitutes a financing transaction. If the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments that have no stated interest rate (and do not constitute a financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount for the cash or other consideration expected to be received, net of impairment.

**NOTES TO THE FINANCIAL STATEMENTS**

**53 week period ended 2 October 2020**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Financial instruments (continued)**

*Financial assets and liabilities (continued)*

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Company transfers to another party substantially all the risks and rewards of ownership of the financial asset, or (c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

*Derivative financial instruments*

The Company uses derivative financial instruments to reduce exposure to fuel costs. The Company doesn't hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

*Equity instruments*

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

**Leases and hire purchase contracts**

Operating lease rentals are charged to income in equal amounts over the lease term.

**Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is assessed on a first in first out basis and in the case of certain processed or partly processed stocks includes attributable overheads. The accumulated costs relating to the raising of livestock (rearing and laying birds) are included in stocks and the cost is spread over the laying lives of the flocks. Provision is made for obsolete stocks.

**Taxation**

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

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all the available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to fixed assets that have been revalued is measured using the tax rates and allowances that apply to the sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

# NOBLE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

53 week period ended 2 October 2020

### 1. ACCOUNTING POLICIES (CONTINUED)

#### Taxation (continued)

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if the Company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

#### Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

#### Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

#### Employee benefits

The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity.

#### Investments

Investment held as fixed assets are stated at cost less provision for any impairment.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**53 week period ended 2 October 2020**

**2. CRITICAL ESTIMATES AND JUDGEMENTS**

The preparation of financial statements requires the directors to make judgements, estimates and assumptions about the carrying value of assets and liabilities. The nature of estimation means that actual outcomes may differ from these estimates. The judgements that have the most significant effect on the amounts recognised as assets and liabilities are as follows:

*Taxation*

There are tax transactions and calculations for which judgements need to be made and the ultimate tax determination is uncertain. The Company recognises liabilities for taxation based on estimates of whether taxation will be due. Where the final outcome of these matters is different from the amount recognised, such differences will have an impact on the financial statements in the period such determination is made.

The sources of estimation uncertainty that have the most significant effect on the amounts recognised as assets and liabilities are as follows:

*Carrying value of land and buildings*

Land and buildings are carried at fair value. The directors have valued land and buildings as at the balance sheet date based on an independent valuation carried out by a professional firm of chartered surveyors on an open market basis (see note 9). Such valuations require estimates to be made based on current market conditions, and any changes to such conditions will impact the carrying value of land and buildings. Management review the carrying value of land and buildings at each balance sheet date to ensure it continues to materially represent fair value.

*Defined benefit pensions*

The carrying value of defined benefit pension assets and liabilities depend upon a number of factors that are determined on an actuarial basis using a number of estimates (see note 22), including the discount rate. Other key assumptions are based in part on current market conditions. Any changes in these assumptions will impact the carrying value of the pension asset or liability.

**3. TURNOVER**

Turnover solely represents amounts derived from the provision of goods and services which fall within the Company's ordinary activities after deduction of trade discounts and value added tax. Over 90% of turnover arises principally in the United Kingdom and is attributable to the Company's principal activities.

# NOBLE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

53 week period ended 2 October 2020

### 4. OPERATING PROFIT

	2020 £'000	2019 £'000
<b>Operating profit is after charging:</b>		
Depreciation of tangible fixed assets:		
- Owned assets	5,434	4,854
(Profit)/loss on sale of fixed assets	(530)	465
Revaluation of freehold land and buildings	8,253	-
Amortisation of intangible assets	236	632
Impairment of intangible assets	-	335
Rentals under operating leases		
- Hire of plant and machinery	459	488
- Other operating leases	485	459
Auditor's remuneration		
- Audit fees	125	120
- Tax and other services provided by auditor	131	488

Auditor's remuneration for audit fees represents fees payable to the Company's auditor for the audit of the Company's financial statements.

### 5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2020 £'000	2019 £'000
<b>Directors' emoluments</b>		
Emoluments	3,554	1,088
	<u>3,554</u>	<u>1,088</u>

The remuneration of the highest paid director during the year was £2,754,000 (2019: £815,000). Contributions due to pension schemes in the period in respect of the highest paid director were £nil (2019: £nil).

# NOBLE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) 53 week period ended 2 October 2020

### 5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (CONTINUED)

	2020 Number	2019 Number
<b>Average number of persons employed (including directors)</b>		
Production	696	661
Sales and distribution	31	35
Administration	42	38
	<u>769</u>	<u>734</u>
	<b>£'000</b>	<b>£'000</b>
<b>Staff costs during the period (including directors)</b>		
Wages and salaries	22,023	21,420
Social security costs	2,082	2,086
Pension costs	526	463
	<u>24,631</u>	<u>23,969</u>

None of the directors (2019: none) are members of the defined benefit pension scheme, nor members of the defined contribution scheme.

### 6. INTEREST

	2020 £'000	2019 £'000
<b>a) Interest receivable and similar income</b>		
Group interest bearing loans	2,691	3,218
Net return on pension scheme	61	100
Exchange gains on foreign currency amounts due from Group undertakings	-	3
	<u>2,752</u>	<u>3,321</u>
<b>b) Interest payable and similar charges</b>		
Bank loan and invoice financing interest	849	2,503
Group interest bearing loans	4,260	2,868
	<u>5,109</u>	<u>5,371</u>

# NOBLE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) 53 week period ended 2 October 2020

### 7. TAX CHARGE ON (LOSS)/PROFIT

	2020 £'000	2019 £'000
<b>a) Analysis of charge in the period</b>		
<b>Current tax</b>		
United Kingdom corporation tax (credit)/charge for the period	(143)	766
Adjustments in respect of prior periods	252	197
	<u>109</u>	<u>963</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	78	227
Adjustments in respect of prior periods	292	(86)
Change in rate	90	-
	<u>569</u>	<u>1,104</u>

### b) Factors affecting the tax charge for the period

The standard rate of tax for the period, based on the UK standard rate of corporation tax, is 19% (2019: 19%). The actual tax charge for the period is different from that resulting from applying the standard rate for the reasons set out in the following reconciliation:

	2020 £'000	2019 £'000
(Loss)/profit before tax	(4,353)	6,880
Tax on (loss)/profit at standard rate of 19% (2019: 19%)	(827)	1,307
Effects of:		
Expenses not deductible for tax purposes	478	608
Revaluation of tangible fixed assets	1,568	-
Group relief not paid for	(1,284)	(922)
Prior period adjustments	544	111
Change in deferred tax rate	90	-
Tax for the year (note 7a)	<u>569</u>	<u>1,104</u>

The tax effect of items within other comprehensive income is as follows:

	2020 £'000	2019 £'000
Deferred tax on defined benefit pension schemes	(298)	42
Deferred tax on revaluation of tangible fixed assets	170	239
	<u>(128)</u>	<u>281</u>

# NOBLE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) 53 week period ended 2 October 2020

### 7. TAX CHARGE ON PROFIT (CONTINUED)

#### c) Change in tax rates

As part of the Finance Bill 2016, the Government stated its intention to reduce the main corporation tax rate, to 17% effective 1 April 2020. The Finance Bill 2020 reinstated a main corporation tax rate of 19% effective 1 April 2020. As this 19% tax rate was substantively enacted at the balance sheet date, the relevant rate increases have been reflected in the calculation of deferred tax.

### 8. INTANGIBLE FIXED ASSETS

	Other intangible assets £'000	Goodwill £'000	Total £'000
<b>Cost</b>			
At 28 September 2019	15,644	5,328	20,972
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
At 2 October 2020	15,644	5,328	20,972
	<hr/>	<hr/>	<hr/>
<b>Amortisation</b>			
At 28 September 2019	14,674	4,828	19,502
Charge for the period	134	102	236
	<hr/>	<hr/>	<hr/>
At 2 October 2020	14,808	4,930	19,738
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 2 October 2020	836	398	1,234
	<hr/>	<hr/>	<hr/>
At 27 September 2019	970	500	1,470
	<hr/>	<hr/>	<hr/>

The Company's other intangible assets are comprised of livestock breeding licences and supply agreements.

# NOBLE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) 53 week period ended 2 October 2020

### 9. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Plant, machinery, fixtures and fittings £'000	Total £'000
<b>Cost or valuation</b>			
At 28 September 2019	47,500	73,993	121,493
Additions	3,796	4,204	8,000
Disposals	-	(2,939)	(2,939)
Reclassifications	2,323	(2,323)	-
Foreign Exchange	-	(76)	(76)
Revaluations	(10,502)	-	(10,502)
At 2 October 2020	43,117	72,859	115,976
<b>Accumulated depreciation</b>			
At 28 September 2019	3,182	44,060	47,242
Charge for the period	933	4,501	5,434
Disposals	-	(2,215)	(2,215)
Revaluations	(4,115)	-	(4,115)
At 2 October 2020	-	46,346	46,346
<b>Net book value</b>			
At 2 October 2020	43,117	26,513	69,630
At 27 September 2019	44,318	29,933	74,251

Included in the total for land and buildings is an amount of £10,811,000 (2019: £7,334,000) relating to land that is not being depreciated.

The directors have valued land and buildings as at the balance sheet date based on an independent valuation performed by Bidwells Property Consultants, a professional firm of chartered surveyors, on an open market basis in November 2020. Subsequent additions have been recorded at cost. The comparative method of valuation was used as far as possible in arriving at property values, with the main assumption being what constitutes appropriate comparable property.

Tangible fixed assets with a carrying amount of £nil (2019: £940,797) have been pledged to secure borrowings of the Company.

# NOBLE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) 53 week period ended 2 October 2020

### 9. TANGIBLE FIXED ASSETS (CONTINUED)

Comparable amounts determined according to the historical cost convention:-

	Freehold land and buildings £'000	Plant, machinery, fixtures and fittings £'000	Total £'000
<b>2020</b>			
Cost	55,637	72,859	128,496
Accumulated depreciation	(21,216)	(46,346)	(67,562)
Net book value 2 October 2020	<u>34,421</u>	<u>26,513</u>	<u>60,934</u>
<b>2019</b>			
Cost	49,415	73,993	123,408
Accumulated depreciation	(20,466)	(44,060)	(64,526)
Net book value 27 September 2019	<u>28,949</u>	<u>29,933</u>	<u>58,882</u>

### 10. INVESTMENTS

	Other investments £'000	Shares in subsidiary under- takings £'000	Total £'000
<b>Cost</b>			
At 28 September 2019	1	760	761
Additions	-	-	-
At 2 October 2020	<u>1</u>	<u>760</u>	<u>761</u>
<b>Provision for impairment</b>			
At 28 September 2019 and at 2 October 2020	-	-	-
<b>Net Book Value</b>			
At 2 October 2020	<u>1</u>	<u>760</u>	<u>761</u>
At 27 September 2019	<u>1</u>	<u>760</u>	<u>761</u>

On 13 March 2019 Polzeath Surf Limited was incorporated as a wholly owned subsidiary of the Company. On the same date the Company disposed of its interest in Noble Foods Inc to Polzeath Surf Limited via a share-for-share exchange. Prior to the disposal Noble Foods Inc had a carrying value of £6. On 13 March 2019 the Company's subsidiary, Polzeath Surf Limited acquired Forest Vale Limited, a dormant company, in exchange for consideration of £1.

On 13 March 2019 the Company disposed of its interest in Polzeath Surf Limited (together with its subsidiaries, Noble Foods Inc and Forest Vale Limited) in exchange for consideration of £1.

# NOBLE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

53 week period ended 2 October 2020

### 10. INVESTMENTS (CONTINUED)

At 2 October 2020 the Company had the following investments in subsidiary undertakings:

Company	Nature of Business	Country of operation/ Incorporation	Share capital	Ordinary shares %
Noble Egg Limited	Dormant	United Kingdom	1 ordinary share of £1	100
Noble Foods International Limited	Dormant	United Kingdom	750,000 A ordinary shares of £1	100
Goldenlay Foods Limited	Dormant	United Kingdom	10,000 ordinary shares of £1	100

Noble Egg Limited, Noble Foods International Limited and Goldenlay Foods Limited are all registered at Cotswold Farm, Standlake, Witney, Oxfordshire, England, OX29 7RB.

### 11. STOCKS

	2020 £'000	2019 £'000
Livestock	5,920	5,789
Raw materials and consumables	4,176	3,558
Finished goods and goods for resale	1,640	1,549
	<u>11,736</u>	<u>10,896</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

### 12. DEBTORS

	2020 £'000	2019 £'000
<b>Amounts falling due within one year:</b>		
Trade debtors	12,807	14,641
Derivative financial instruments (see note 17)	-	61
Amount due from companies with common ultimate parent	93,731	122,625
VAT recoverable	1,082	1,479
Corporation tax	611	434
Other debtors	13,089	8,442
Prepayments and accrued income	6,534	7,375
	<u>127,854</u>	<u>155,057</u>

Amounts due from companies with a common ultimate parent are repayable on demand. Interest on these loans is charged at between 0% and LIBOR +2.5%.

# NOBLE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) 53 week period ended 2 October 2020

### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Other loans (note 15)	-	258
Trade creditors	25,620	29,072
Amounts due to Group Companies	122,275	145,997
Other taxes and social security	1,517	1,367
Derivative financial instruments (note 17)	870	-
Other creditors	4,821	754
	<u>155,103</u>	<u>177,448</u>

Other loans of £nil (2019: £258,000) represent amounts due within one year on loans secured on specific fixed assets which form the object of those loans.

Amounts due from Group Companies are repayable on demand. Interest on these loans is charged at between 0% and LIBOR + 2.5%.

### 14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £'000	2019 £'000
Other loans (note 15)	-	950
	<u>-</u>	<u>950</u>

Other loans of £nil (2019: £950,000) represent amounts due after one year on loans secured on specific fixed assets which form the object of those loans.

# NOBLE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) 53 week period ended 2 October 2020

### 15. BANK LOANS AND OVERDRAFT

	2020 £'000	2019 £'000
Other loans	-	1,208
	-	1,208
<b>Analysed in the balance sheet as:</b>		
Within one year	-	258
After more than one year	-	950
	-	1,208
<b>Analysis of other loan repayments:</b>		
Within one year	-	258
Between one and two years	-	950
	-	1,208

During the prior year the wider group entered into a refinancing transaction which extended the wider groups facilities until March 2024. These new facilities are held by a parent of the Company.

The other loan reported in the prior year represents an amount due on loans secured by specific assets. These underlying assets were sold during the year and the loan repaid from the proceeds.

# NOBLE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) 53 week period ended 2 October 2020

### 16. PROVISIONS FOR LIABILITIES

	Deferred taxation £'000
At 27 September 2019	3,948
Debited to the profit and loss account	460
Debit to comprehensive income	128
	<hr/>
At 2 October 2020	4,536
	<hr/>

The deferred taxation balance consists of the following amounts:

	2020 £'000	2019 £'000
Differences between capital allowances and depreciation	911	264
Defined benefit pensions	883	580
Timing differences on revalued properties	3,031	3,201
Employee benefits	(234)	-
Other timing differences	(55)	(97)
	<hr/>	<hr/>
	4,536	3,948
	<hr/>	<hr/>

### 17. FINANCIAL INSTRUMENTS

	2020 £'000	2019 £'000
<b>Financial assets</b>		
Measured at fair value through profit or loss		
Derivative financial assets	-	61
Measured at undiscounted amount receivable		
Trade and other debtors	119,627	145,708
	<hr/>	<hr/>
	119,627	145,769
	<hr/>	<hr/>
<b>Financial liabilities</b>		
Measured at fair value through profit or loss		
Derivative financial liabilities	870	-
Measured at undiscounted amount payable		
Trade and other creditors	152,716	175,823
Measured at undiscounted amount payable		
Trade and other creditors	-	1,208
	<hr/>	<hr/>
	153,586	177,031
	<hr/>	<hr/>

# NOBLE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) 53 week period ended 2 October 2020

### 17. FINANCIAL INSTRUMENTS (Continued)

Interest payable on financial liabilities carried at amortised cost totalled £849,000 (2019: £2,503,000).

The fair value of derivative financial assets and liabilities are based on market value price quotations at the reporting date. The loss on derivative financial instruments recognised in the profit and loss account during the year was £931,000 (2019: loss £223,000).

Derivatives are comprised of cash settled fuel swap contracts with monthly settlement dates up to September 2022.

### 18. CALLED UP SHARE CAPITAL

	2020 £'000	2019 £'000
Authorised, called up, allotted and fully paid 1,000,000 ordinary shares of £1.00 each	1,000	1,000

### 19. DIVIDENDS

	2020 £'000	2019 £'000
Dividends paid of £5.00 (2019: £5.00) per ordinary share	5,000	5,000

### 20. CAPITAL COMMITMENTS

At the period end the company had the following capital commitments:

	2020 £'000	2019 £'000
Contracted but not provided	943	2,936

### 21. FINANCIAL COMMITMENTS

At the period end, the total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 Land and buildings £'000	2020 Other £'000	2019 Land and buildings £'000	2019 Other £'000
Leases which expire:				
Within one year	513	1,156	558	735
Between one to five years	36	1,897	560	863
After more than five years	-	-	-	-
	549	3,053	1,118	1,598

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**53 week period ended 2 October 2020**

**22. PENSION SCHEMES**

Noble Foods Limited operates a defined contribution pension scheme for all eligible employees. Contributions made to the defined contribution pension scheme during the year were £526,000 (2019: £463,000). It also has a defined benefit pension scheme which is closed to new members and closed to future accruals.

The defined benefit pension scheme assets are held in a separate Trustee-administered fund in order to meet the long term pension liabilities to past and present employees. The Trustees of the Scheme are required to act in the best interest of the Scheme's beneficiaries. The appointment of Trustees to the Scheme is determined by the Scheme's trust documentation. The liabilities of the defined benefit scheme are measured by discounting the best estimate of future cash flows to be paid out of the Scheme using the projected unit method. This amount is reflected in the balance sheet.

Having considered the Scheme funding position during 2016, the Company reached agreement with the Scheme Trustees to cease contributions. The estimated amount of contributions expected to be paid to the scheme during the 2021 financial period in accordance with this agreement is £nil.

The Scheme position as reflected in these accounts has been calculated based upon the most recent full actuarial valuation at 5 April 2018, updated to 2 October 2020, carried out by Ann Marie Dickson, Fellow of the Institute of Actuaries, a suitably qualified independent actuary.

The principal actuarial assumptions (absolute terms) at the balance sheet date were:

	2020	2019
Discount rate	1.65%	1.80%
Retail price inflation	3.40%	3.55%
Consumer price inflation	2.70%	2.55%
Salary growth – Executives	n/a	n/a
Salary growth – Non executives	n/a	n/a
Rate of increase in pensions in payment – Pre April 2005 Pension	3.15%	3.30%
Rate of increase in pensions in payment – Post April 2005 Pension	2.10%	2.10%
Mortality	100% S3PA CMI 2019 (1.25%)	100% S2PA CMI 2018 (1.25%)

# NOBLE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) 53 week period ended 2 October 2020

### 22. PENSION SCHEMES (CONTINUED)

The major categories of plan assets as a percentage of total plan assets are as follows:

	2020	2019
Equities	23.5%	33.8%
Index linked and fixed interest bonds	17.9%	18.2%
Corporate bonds	33.2%	23.5%
Private equity	11.3%	11.0%
Property	13.9%	12.9%
Cash	0.2%	0.6%
	100%	100%

The amounts recognised in the balance sheet are as follows:

	2020 £'000	2019 £'000
Present value of funded obligations	(42,312)	(42,358)
Fair value of plan assets	46,958	45,769
Asset	4,646	3,411
Related deferred tax liability	(883)	(580)
Net asset	3,763	2,831
<b>Amounts in the balance sheet</b>		
Pension scheme asset	4,646	3,411
Deferred tax liability	(883)	(580)

The total income recognised in the profit and loss account are as follows:

	2020 £'000	2019 £'000
Interest on obligation	750	1,057
Expected return on pension scheme assets	(811)	(1,157)
	(61)	(100)

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**53 week period ended 2 October 2020**

**22. PENSION SCHEMES (Continued)**

Changes in the present value of the defined benefit obligation are as follows:

	2020 £'000	2019 £'000
Opening defined benefit obligation	42,358	38,741
Interest cost	750	1,057
Actuarial losses	633	4,556
Benefits paid	(1,429)	(1,996)
<b>Closing defined benefit obligation</b>	<b>42,312</b>	<b>42,358</b>

Changes in the fair value of plan assets are as follows:

	2020 £'000	2019 £'000
Opening fair value of plan assets	45,769	42,302
Expected return	811	1,157
Actuarial gains	1,807	4,306
Benefits paid	(1,429)	(1,996)
<b>Closing fair value of plan assets</b>	<b>46,958</b>	<b>45,769</b>

Statement of Comprehensive Income (SOCI):

	2020 £'000	2019 £'000
Actuarial gains/(losses) for the year	1,174	(250)
<b>Cumulative amount of actuarial gains and losses recognised in the SOCI*</b>	<b>(4,891)</b>	<b>(6,065)</b>

\* Since FRS 17 disclosures in 2002/03

The five year history of experience adjustments is as follows:

	2020 £'000	2019 £'000	2018 £'000	2017 £'000	2016 £'000
Present value of defined benefit obligation	(42,312)	(42,358)	(38,741)	(40,877)	(43,959)
Fair value of plan assets	46,958	45,769	42,302	42,668	39,902
Asset	4,646	3,411	3,561	1,791	(4,057)
Experience adjustments on plan liabilities	769	1,352	(49)	280	(1,061)
Changes in the assumptions underlying the present value of scheme liabilities	(1,402)	(5,908)	910	2,640	(8,701)
Experience adjustments on plan assets	1,807	4,306	862	3,019	4,031

## NOBLE FOODS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued) 53 week period ended 2 October 2020

#### 23. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASHFLOW

	2020 £'000	2019 £'000
Operating (loss)/profit	(1,996)	8,930
Adjustments for:		
Depreciation, amortisation and impairment	5,671	5,821
Revaluation of tangible fixed assets	8,253	-
Profit/(loss) on disposal of fixed assets	(530)	465
<b>Working capital movements</b>		
Increase in stocks	(841)	(960)
Decrease/(Increase) in debtors	30,283	(2,542)
(Decrease)/Increase in creditors	(24,164)	4,435
<b>Cash flow from operating activities</b>	<u>16,676</u>	<u>16,149</u>
Taxation paid	(564)	(1,735)
<b>Net cash flows from operating activities</b>	<u>16,112</u>	<u>14,414</u>

#### 24. ULTIMATE PARENT COMPANY AND CONTROLLING ENTITY

The immediate parent company is Noble Foods Holdings Limited which is incorporated in the United Kingdom and the ultimate holding company is Lendon Holdings Limited, a company incorporated in Guernsey.

Noble Foods Group Limited is the smallest company into which these financial statements are consolidated, and Noble Group Finance Guernsey Limited is the largest. Noble Foods Group Limited is incorporated in the United Kingdom and Noble Group Finance Guernsey Limited is incorporated in Guernsey. Copies of the UK statutory accounts can be obtained from Noble Foods Group Limited's registered office at, Cotswold Farm, Standlake, Witney, Oxfordshire, OX29 7RB.

The voting share capital of Noble Group Finance Guernsey Limited is ultimately owned 98% by Lendon Holdings Limited and 2% by P D Dean, and they are therefore considered to be the ultimate controlling parties.

## **NOBLE FOODS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued)** **53 week period ended 2 October 2020**

#### **25. RELATED PARTY TRANSACTIONS**

##### **Key management remuneration**

The directors of the company are considered to constitute key management. Details of their remuneration are disclosed in note 5.

##### **Other related party transactions**

Noble Foods (WE) Limited provided consultancy services to the Company totalling £nil (2019: £156,250) during the year, it also provided electricity totalling £348,351 (2019: £223,840). P D Dean is an employee of Noble Foods (WE) Limited. The Company rented a number of properties from P D Dean, total rentals during the period were £72,000 (2019: £55,600). During the period the Company received £6,992,535 (2019: £7,888,500) in respect of the sale of receivables to Noble Pullet Finance Limited, a company in which P D Dean is materially interested as a shareholder, the sales were made on a normal trading basis.

During the period net goods and royalties on a normal trading basis to the value of £29,997,819 (2019: £25,331,347) were transacted with Noble Foods, a company which has a common ultimate parent company and a company in which P D Dean is an ultimate controlling party.

During the current period the Company purchased services on a normal trading basis to the value of £20,944,387 (2019: £20,359,843) from Noble Logistics, a company which has a common ultimate parent company and a company in which P D Dean is an ultimate controlling party.

During the period goods totalling £7,734,018 (2019: £12,138,585) were sold to Noble Egg Innovations on a normal trading basis. The Company also charged £1,284,077 (2019: £1,275,150) in respect of services provided to Noble Egg Innovations. Noble Egg Innovations is a company which has a common ultimate parent company and a company in which PD Dean is an ultimate controlling party.

Amounts due from companies with a common ultimate parent are disclosed in note 12.

On 13 March 2019 the Company acquired certain US trademark rights from Noble Foods in exchange for consideration of £1. These rights, together with certain franchise agreement rights, were subsequently assigned to the Company's wholly owned subsidiary, Polzeath Surf Limited in exchange for the issuance of 950 ordinary shares.

As disclosed in note 11, on 13 March 2019 the Company disposed of its interest in Polzeath Surf Limited and its subsidiaries (Noble Foods Inc and Forest Vale Limited) to M R J Kent, an individual who until 14 March 2019 was considered to be an ultimate controlling party.

#### **26. CONTINGENT LIABILITY**

The company has guaranteed by way of a fixed and floating charge over its assets, the bank borrowings of its parent company and other group companies.