

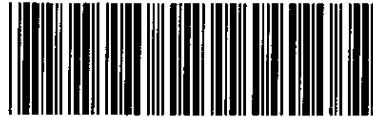
Runecorp Limited

Report and Financial Statements

For the Year Ended

31 December 2020

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Runecorp Limited

Strategic report

The directors present their strategic report and accounts for the year ended 31 December 2020.

The Company is preparing its accounts under FRS 101 "Reduced Disclosure Framework" and has taken advantage of the disclosure exemptions allowed under this standard. The Company's ultimate parent undertaking in the UK, Pladis Foods Limited, was notified of and did not object to the use of the EU-adopted IFRS disclosure exemptions.

Principal activity, review of the business, future developments and going concern

The principal activity of the Company was to act as an investment holding company for the Pladis Foods Limited Group ("Group"). No change in this activity is intended in the foreseeable future.

The loss after taxation for the year ended 31 December 2020 amounted to £0.3m (2019: loss £0.3m).

At the balance sheet date Runecorp Limited had net assets of £443.9 m (2019: net assets of £444.2m).

The Company is reliant upon the provision of financial support by Pladis Foods Limited, a parent undertaking of the Company, to assist the Company in meeting its liabilities as and when they fall due. Pladis Foods Limited has confirmed its intention to provide such financial support as necessary to the company to enable it to meet its liabilities as they fall due for a minimum period of twelve months from the date of these financial statements. Accordingly, the directors, having evaluated the letter of financial support received from Pladis Foods Limited and its ability to provide such support, consider that it is appropriate to adopt the going concern basis in preparing the financial statements.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Full details of the performance of the Pladis Foods Limited Group are set out in the report and financial statements of Pladis Foods Limited, copies of which may be obtained from its registered office: Hayes Park, Hayes End Road, Hayes, Middlesex UB4 8EE.

Principal risks and uncertainties

The Company's principal risks and uncertainties relate to its subsidiaries which manufacture and sell a range of food products, principally biscuits and savoury snacks. Risks and uncertainties facing the Company's subsidiaries, if not adequately managed, could reduce or eliminate the availability of profits for distribution to the Company, the ability of the Company to repay its creditors could be adversely affected, and amounts due to the Company from subsidiaries may not be recoverable, in full or in part.

The key risks to which the Company is exposed, through its subsidiaries, are summarised as follows:

- The Company's strategy is to increase the cash flow and profitability of subsidiary undertakings by implementing initiatives aimed at achieving cost savings and generating profitable branded growth. If unsuccessful, the Pladis Foods Limited group of which the Company is a part may be unable to comply with the financial covenants under the senior facilities agreement.
- The subsidiary undertakings of the Company operate in highly competitive markets, and their failure to compete effectively might adversely affect the results of their operations. They compete primarily on the strength of their brands, the quality of their products, product innovation and price. Their ability to compete effectively requires continuous efforts in sales and marketing of its existing products, developing new products and cost rationalisation.
- Expenditures increasing without a commensurate increase in revenues of the subsidiary undertakings, and rapid changes in market conditions, could result in poor operating results.
- The average selling prices of United Biscuit products could decrease rapidly, which may negatively impact revenues and gross margins.

Strategic report (continued)

- The ability of the subsidiary undertakings to pass increases in raw materials and energy costs on to their customers could adversely affect the results of operations. Many of their raw materials and energy costs are volatile and supplies are affected by government policies, the actions of its suppliers, currency movements, political upheavals and natural disasters. Consequently, unexpected increases in raw material and energy costs or a material or prolonged supply disruption could adversely affect the results of the subsidiary undertakings and therefore the carrying value of investments within Runecorp Limited and the recoverability of amounts due from group companies.

The risks described above are managed within the wider Pladis Foods Limited group rather than at a legal entity level. Further details of such risk management are set out in the annual report and financial statements of Pladis Foods Limited.

Financial risk management objectives and policies

Financial risk management objectives and policies are established for the Group and not by legal entity. Further details of these objectives and policies are set out in the annual report and financial statements of Pladis Foods Limited.

The Company's primary financial risk management objective is to monitor the operating results of subsidiary undertakings as this may impact the carrying value of the Company's investments in subsidiary undertakings and the recoverability of amounts due from group companies. Other objectives include monitoring its cash flow to ensure it can meet its obligations as they fall due.

Key performance indicators

As the Company is a holding company for certain trading entities of the Group, the Company's directors believe that further key performance indicators from those discussed above are not necessary or appropriate for an understanding of the development or position of the business.

On behalf of the board



Helen McCarthy - Director

24 June 2021

Registered Office: Hayes Park, Hayes End Road, Hayes, Middlesex UB4 8EE

Runecorp Limited

Directors' report

The directors present their annual report and the accounts for the year ended 31 December 2020. The Company has chosen, in accordance with section 414C(11) of Companies Act 2006, to include such matters of strategic importance to the Company in the Strategic report which otherwise would be required to be disclosed in the Directors' report, including future developments and financial risk management objectives and policies.

Results and dividends

The loss for the year is shown in the Income Statement on page 6. No dividend was paid or proposed during the current year or prior period.

Directors

The directors who served during the year and subsequently (unless otherwise indicated) were:

Name

Helen McCarthy
Mark Oldham*

*Mark Oldham served as Company Secretary for the financial year ended 31 December 2020.

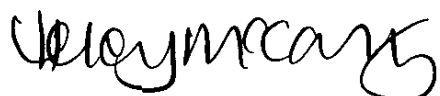
Directors' interests

No director had interests in the share capital of either the Company or other UK registered Group companies. No director had, during the year or at the end of the year, any material interest in any contract of significance to the Company's business. During the year the Company maintained liability insurance for its directors and officers.

Auditors

For the year ended 31 December 2020 the Company was entitled to exemption from audit under section 479A of Companies House 2006 relating to subsidiary companies.

On behalf of the board



Helen McCarthy - Director

24 June 2021

Registered Office: Hayes Park, Hayes End Road, Hayes, Middlesex UB4 8EE

Statement of directors' responsibilities in relation to the financial statements

The directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law including FRS 101 "Reduced Disclosure Framework"). 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will not continue in business.

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

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

Runecorp Limited

Income Statement

For the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Interest payable and other financial charges	5	<u>(317)</u>	<u>(308)</u>
Loss on ordinary activities before tax		(317)	(308)
Tax charge on loss on ordinary activities	6	-	-
Loss for the financial year		<u>(317)</u>	<u>(308)</u>

All amounts relate to continuing activities.

Runecorp Limited

Statement of Comprehensive Income

For year ended 31 December 2020

	2020 £'000	2019 £'000
Loss for the financial year	(317)	(308)
Total comprehensive loss for the year	<u>(317)</u>	<u>(308)</u>

Runecorp Limited

Balance Sheet

As at 31 December 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Investments	7	571,641	571,641
Liabilities: amounts falling due within one year			
Amounts owed to Group undertakings: preference shares	8	(4,550)	(4,233)
Amounts owed to Group undertakings: payable on demand		<u>(120,762)</u>	<u>(120,762)</u>
		<u>(125,312)</u>	<u>(124,995)</u>
Liabilities: amounts falling due after more than one year			
Amounts owed to Group undertakings: preference shares	8	(2,400)	(2,400)
Net assets		<u>443,929</u>	<u>444,246</u>
Capital and reserves			
Ordinary share capital	9	509,825	509,825
Preferences share capital	8	12,590	12,590
Retained earnings		<u>(78,486)</u>	<u>(78,169)</u>
Total equity		<u>443,929</u>	<u>444,246</u>

For the year ending 31 December 2020, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors' acknowledge their responsibility for:

- ensuring the Company keeps accounting records which comply with section 386 of the Companies Act 2006; and
- preparing accounts which give a true and fair view of the state of affairs of the Company at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 394 and 395, and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the Company.

The financial statements of Runecorp Limited (registered number 3876056) were approved by the Board and signed on its behalf on 24 June 2021.



Helen McCarthy - Director

Runecorp Limited

Statement of Changes in Equity

	Ordinary Share Capital £'000	Preference Share Capital £'000	Retained Earnings £'000	Total Equity £'000
At 1 January 2019	509,825	12,590	(77,861)	444,554
Loss for the year	-	-	(308)	(308)
At 31 December 2019	509,825	12,590	(78,169)	444,246
Loss for the year	-	-	(317)	(317)
At 31 December 2020	509,825	12,590	(78,486)	443,929

Runecorp Limited

1 Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Runecorp Limited (the "Company") for the year ended 31 December 2020 were authorised for issue by the board of directors on 24 June 2021 and the balance sheet was signed on the board's behalf by Helen McCarthy. The Company is a private company limited by shares and is registered, incorporated and domiciled in England and Wales, United Kingdom. Its registered office is stated on page 3.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates and are rounded to the nearest £0.1m.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Pladis Foods Limited.

The results of Runecorp Limited are included in the consolidated financial statements of Pladis Foods Limited which are available from Pladis Foods, Hayes End Road, Hayes, UB4 8EE.

The principal accounting policies adopted by the Company are set out in note 2.

2 Accounting policies

Basis of preparation

The financial statements are prepared on the historical cost basis of accounting, modified to include revaluation to fair value of certain financial instruments as outlined below, and in accordance with applicable accounting standards.

Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis.

The Company is exempt from producing group financial statements, under s400 of the Companies Act 2006 as it is part of the Pladis Foods Limited group of companies and Pladis Foods Limited has produced group financial statements for the year to 31 December 2020. These financial statements solely relate to Runecorp Limited and not its group.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) the requirement to disclose new accounting standards not yet effective;
- b) the requirement of IFRS 7 Financial Instruments: Disclosures;
- c) the requirements of paragraphs 91 – 99 of IFRS 13 Fair Value Measurement;
- d) the requirements of paragraphs 10(d), 10(f) and 134 -136 of IAS 1 Presentation of Financial Statements;
- e) the requirements of IAS 7 Statement of Cash Flows;
- f) the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- g) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transactions is wholly owned by such a member.

Where relevant, equivalent disclosures have been given in the group accounts of Pladis Foods Limited.

2 Accounting policies (continued)

Adoption of new and revised Standards

Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year

No new amendments to IFRSs issued by the International Accounting Standards Board (IASB) have been applied in the current year as they are not relevant for the Company.

Interest expense

Interest expense is recognised as it accrues on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Taxation

The tax currently receivable/payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 asset/liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. Deferred tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Investments

Investments are stated at cost unless, in the opinion of the directors, there has been a permanent diminution in value, in which case an appropriate adjustment is made.

Foreign currency translations

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

2 Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial assets

Receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Financial assets are de-recognised only where the contractual rights to the cash flows from the asset expire or are settled; or if the Company transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity; or 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

All of the company's financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Critical accounting judgements and key sources of estimation uncertainty

In the Directors opinion, there are no critical accounting judgements or key sources of estimation uncertainty in the financial statements.

Runecorp Limited

3 Operating loss

As the Company is exempt from audit no audit fees were incurred in the current year or in the prior year.

4 Directors' emoluments and staff costs

Directors' emoluments

The directors of the Company were paid by United Biscuits (UK) Limited by whom they are employed. The directors received no remuneration in respect of qualifying services to the subsidiary company.

The Company, as an investment holding company, has no employees.

5 Interest payable

	2020 £'000	2019 £'000
Interest expense attributable to immediate parent	317	308
	<u>317</u>	<u>308</u>

6 Tax on loss on ordinary activities

There is no tax charge on the loss ordinary activities for the year. Any differences from the standard rate of Corporation tax in the UK of 19.00% (2019: 19.00%) is reconciled below:

	2020 £'000	2019 £'000
Accounting loss before income tax	(317)	(308)
Tax calculated at UK Statutory rate of 19.00% (2019: 19.00%)	(60)	(58)
UK transfer pricing adjustment	(4)	(4)
Group relief surrendered for nil consideration	64	62
Total tax expense reported in the income statement	<u>-</u>	<u>-</u>

7 Investments

Investments in subsidiary undertakings:

	2020 £'000	2019 £'000
Cost	571,641	571,641

Runecorp Limited

7 Investments (continued)

At 31 December 2020, the Company's subsidiary investments were:

Name of subsidiary undertaking	Incorporated	Registered Address	Activity
United Biscuits Finance Limited	England	Hayes Park, Hayes End Road, Hayes, Middlesex, London UB4 8EE	Investment Holding
Burlington Cayman Limited	Cayman Islands	190 Elgin Avenue, George Town Grand Cayman KY1-9005	Investment Holding

8 Preference shares

	Number '000	Preference Shares (1) £'000
Preference share capital		
Authorised		
As at 31 December 2020 and 31 December 2019:	<u>25,000</u>	<u>25,000</u>
Issued, called up and fully paid		
As at 31 December 2020 and 31 December 2019	<u>14,990</u>	<u>14,990</u>

(1) Represents authorised, issued, called up and fully paid preference shares of £1 each

The preference shares, which were issued at par in July 2001, are redeemable at the par amount of £14,990,000 at the discretion of the directors upon giving at least 5 business days' notice in writing to the holder of the preference shares or on winding up of the Company. They carry a mandatory dividend of 1% per annum, payable yearly in arrears on the anniversary of the date of first issue of the Preference Shares in each year until redemption. The preference dividend is paid only when the Company has sufficient retained earnings. Additional interest accrues at 6% on any unpaid dividends, with all outstanding dividends and interest payable when the Company has sufficient retained earnings or on winding up.

The preference shares carry no voting rights at meetings. On a winding up of the Company, the preference shareholders have a right to receive, in preference to the ordinary shareholders, £1 per share plus any accrued dividend.

The preference shares are compound financial instrument under IAS32 Financial Instruments: Presentation. The liability component was initially recognised at its fair value of £2,400,000 and is subsequently measured at amortised cost. The remaining proceeds received on initial recognition of the preference shares of £12,590,000 were recognised in preference share capital within equity. The issued, called up and fully paid preference share capital is reconciled to the amounts presented in the balance sheet below.

	2020 £'000	2019 £'000
Amounts due in less than one year	4,550	4,233
Amounts due in more than one year	<u>2,400</u>	<u>2,400</u>
Total liability component at balance sheet date	6,950	6,633
Less movement in liability component since initial recognition	<u>(4,550)</u>	<u>(4,233)</u>
Liability component recorded at initial recognition (preference share capital recoded as a liability)	2,400	2,400
Preference share capital recorded in equity	<u>12,590</u>	<u>12,590</u>
Total preference share capital in issue	<u>14,990</u>	<u>14,990</u>

Runecorp Limited

9 Authorised, issued and called up share capital

	Number '000	Ordinary Shares (1) £'000
Ordinary share capital		
Authorised		
As at 31 December 2020 and 31 December 2019	<u>509,825</u>	<u>509,825</u>
Issued, called up and fully paid		
As at 31 December 2020 and 31 December 2019	<u>509,825</u>	<u>509,825</u>

(1) Represents authorised, issued, called up and fully paid ordinary shares of £1 each.

10 Events after the balance sheet date

No significant event has taken place after the balance sheet date.

11 Ultimate parent company

At both 31 December 2020 and 31 December 2019, the company's immediate parent company was Solvecorp Limited, a company incorporated in the UK. Its ultimate parent company was Yıldız Holding A.S., a company incorporated in Turkey whose registered office is Kısıklı Mahallesi Ferah Caddesi No:1 34692 Büyük Çamlıca, İstanbul, Turkey.

For results for the year ended 31 December 2020 the largest group in which the Company's financial statements are included is Yıldız Holding A.S. and the smallest group is Pladis Foods Limited.