



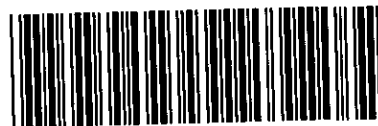
Argent Foods Limited

Annual Report and financial statements

Registered number: 07081161

31 December 2020

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Group Information

Directors

- * M R Mountford (Chairman) ^{1, 2}
- * A J Barnes
D J Gray ³
- * A S King ^{1, 2}
J N Oldcorn ⁴
A L Olins
P J Tomlinson
- * S R Wootten^{1, 2}

Company number

07081161

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* Non-executive director

¹ Member of Audit Committee

² Member of Remuneration Committee

³ Chief Executive Officer

⁴ Chief Financial Officer



Strategic Report

Principal activities

Argent Foods Limited is the holding company for the Argent Foods Limited group ("the Group"), a diversified international food group with operations in Europe, Australasia, North America and Africa. The Group's activities during the year were focused on the processing, manufacture, supply and marketing of fresh fruit and produce, meat, poultry and animal by-products.

Business review

Our strategy

Our range of activities is broad in both product and market scope, providing high-quality food that is affordable for the consumer and meets the needs of our customers. The Group comprises a sizeable mix of operations that achieve good revenue growth, along with mature cash generative businesses.

Our businesses are organised so that they operate close to the markets and customers they serve. They are managed through four pillars that bring together industry expertise, operational capability and market knowledge; BerryWorld Group, The Orchard Fruit Company & Poupart Imports, Fairfax Meadow Group and Other Meat and By-Products Group. Operational decisions are made locally by the people who have the best understanding of our markets. The corporate centre, which comprises the Group finance team, is small; amongst other activities, it agrees strategy and budgets with the businesses and monitors their performance closely. We aim to achieve strong and sustainable market positions through a combination of organic growth, acquisitions of complementary businesses, creation of joint ventures and investing for operational improvement and expansion.

The Group is managed to ensure long-term financial stability, exhibited by the resilience the Group has shown during the unprecedented COVID-19 pandemic. Capital funding is made available to all of our businesses where expected returns meet or exceed defined criteria subject to available liquidity. Organic growth is achieved through investment in marketing, in the development of existing and new products, and in targeted investment to improve efficiency and expand capacity. The Group takes a long-term approach to investment and is committed to increasing

value through sound commercial, responsible and sustainable business decisions that aim to deliver steady growth in earnings. Acquisitions and joint ventures are made to complement existing business activities and to exploit opportunities in adjacent markets or geographies.

We operate to high ethical standards as an organisation and expect the same of our employees. Our employees play a key part in delivering our strategy and we continue to invest in leadership and development programmes that are designed to drive and support future growth across the Group.

BerryWorld Group

Turnover 2020: £471.3m 2019: £460.0m

BerryWorld Group's prepared fruit division, PrepWorld UK, was heavily impacted during the initial lockdown from March to July as demand for "food on the go" products fell. The business has seen steady recovery throughout the remainder of the year and the Group continues to see significant potential in the prepared fruit division, having secured new customers and new product ranges despite the pandemic. However, further investment in a new facility, which is anticipated will drive future increases in market share, expand our range of customers and realise further operational improvements, has been delayed due to the COVID-19 pandemic.

Notwithstanding the challenges of the pandemic, the rest of the BerryWorld Group has seen growth due to increased blueberry plantings and maturity of Mountain Blue Orchard ("MBO") bushes in South Africa increasing volumes sold through BerryWorld (SA) (Pty) Limited and BerryWorld Europe B.V. and increased packing volumes at Beekers Berries B.V.. BerryWorld Group has also seen growth in its early stage overseas businesses, particularly BerryWorld Australia Pty Limited, BerryWorld France Limited and BerryWorld Iberia SL. In February 2021, proceedings were instigated in Spain against the Group's subsidiaries BerryWorld Limited and BerryWorld Europe B.V.. See note 30 for further details.

BerryWorld Group continues to invest in genetics, varietal developments and the grower network. This has enabled us to increase the availability of fruit in general and, specifically, to develop the supply of new, exclusive varieties of berries that yield more for growers and taste better for consumers.



Strategic Report (continued)

Business review (continued)

BerryWorld Group (continued)

The Sapphire and Diamond Jubilee raspberry varieties developed by the BerryWorld Plus breeding programme continue to be the preferred varieties of our suppliers and customers. Prospects for the MBO blueberry variety are exciting.

Investment made with growers in previous years is helping to fill MBO blueberry variety production gaps as the plants mature.

A new packhouse in the Netherlands, which will increase capacity and drive growth at the Beekers Group was built and completed during the year by a related party special purchase vehicle. The new packhouse is leased to the Beekers Group and was fully operational during Q3 2020. Beekers itself invested directly in new packing lines.

BerryWorld Group supported its 40% owned joint venture, Mastronardi BerryWorld America LLC, through its difficult second year of trading. The company's procurement and varietal arm is trading well and results are expected to improve in 2021. However, within the joint venture was a glasshouse growing operation, Green Empire Farms ("GEF"), which was loss making in the year (£2.0m our share to 1 September 2020). On 12 April 2021 the Group reached an agreement to exit the GEF operation. GEF losses are excluded from the reported results from 1 September 2020.

The Orchard Fruit Company & Poupart Imports

Turnover 2020: £112.1m 2019: £100.9m

The Orchard Fruit Company & Poupart Imports businesses performed strongly in 2020. Due to the ability to react quickly to changes in market conditions and the strong customer and supplier relationships the pillar benefitted from the adjusted demand patterns caused by the pandemic.

Norton Folgate saw strong growth with online retailers and increased market share. OrchardWorld continued to trade well in a volatile market. Poupart Imports utilised its extensive supply contacts throughout the world to continue to provide a comprehensive range of produce to customers in the UK throughout the pandemic.

Fairfax Meadow Group

Turnover 2020: £70.0m 2019: £161.4m

Fairfax Meadow Europe was significantly impacted by the COVID-19 pandemic in 2020. The business principally supplies customers in the hotel, pub, restaurant, travel and leisure industries, the majority of which were closed during the staccato lockdowns.

The business focused on curtailing its cost base while conditions in these markets remain suppressed. Such measures included: temporarily closing some production capacity, eliminating discretionary expenditure wherever possible, obtaining a rent reduction in respect of a closed property, furloughing employees where no work is available and robust control of stock and working capital balances. During periods of national lockdown Fairfax Meadow Europe focussed on the health and care sectors along with new channels to market, such as direct to consumers and home delivery.

Despite the various measures taken to protect employment, including the furloughing of staff, salary reductions and reduced working hours, the business made a number of redundancies to align the cost base to revised demand levels. The total redundancy cost for the year was £1.0 million (2019: £0.2 million).

The business was profitable when hospitality was able to open due to relaxed Government restrictions, demonstrating the pent-up demand for eating out and its ability to seamlessly re-mobilise trade thanks to its actively maintained relationships and clear communications with customers and suppliers.

Other Meat and By-Products Group

Turnover 2020: £17.0m 2019: £25.0m

The fall in turnover in the other meat and by-products pillar was driven by the sale of the trade and assets of New Zealand Light Leathers on 22 December 2019.

Belwood Foods increased profitability following continued growth within the UK market and the introduction of new markets such as the Philippines.

Tendercut Meats saw some alleviations from the difficult trading conditions experienced in 2019.



Strategic Report (continued)

Financial review

The financial year has been characterised by a drive for improved efficiencies and careful management of costs. The Group has continued to invest in businesses with growth opportunities.

Performance

Continuing Group turnover and adjusted EBITDA decreased to £670.5 million (2019: £738.5 million) and £2.6 million (2019: £12.0 million) respectively.

	2020 £'m	2019 £'m
Loss before interest and taxation	(6.6)	(1.2)
Add back:		
Depreciation	4.2	5.1
Amortisation	4.5	4.2
Impairments	-	0.5
Losses from discontinued operations	-	3.3
Exceptional costs	0.5	1.5
Less:		
Revaluations of investment properties	-	(1.4)
Adjusted EBITDA	2.6	12.0

Fairfax Meadow Europe had the largest decline in turnover (£91.4m decrease) as the COVID-19 pandemic and resulting lockdowns resulted in the closure of the majority of its customer base.

The BerryWorld Group's turnover increased by £11.3m despite the impact noted above of the pandemic on the BerryWorld Group's prepared fruit division, PrepWorld UK (£11.1m decrease in turnover). This was driven by the Group's investment in MBO blueberry plantings in South Africa and Iberia and BerryWorld Plus raspberry varieties, increasing available fruit supply to the Group's global platform of marketing desks.

Exceptional costs for continuing operations total £0.5 million (2019: £1.2 million) and mainly relate to the one-off site closure costs at Fairfax Meadow Europe and residual closure costs at New Zealand Light Leathers following the sale of their trade and assets on 22 December 2019.

Investments

The Group limited investments to committed expenditure and necessary replacement of assets in 2020, with the

exception of the Group's investment in a modified strawberry growing structure in the Netherlands. This investment was possible without putting undue strain on the Group's liquidity or banking covenants. It will allow Beekers Made B.V. to increase strawberry volumes and fill production gaps in the Dutch market.

Financing

The financing of the UK companies is managed centrally. As at 31 December 2020, the Group had total committed borrowing facilities under its UK banking agreement comprising the following: £7.8 million term loan; £10.0 million revolving credit facility and £55.0 million UK invoice discounting facilities. Outside of the UK, the Group had the following borrowing facilities; €9.0 million invoice discounting facility and €4.2 million bank loan in the Netherlands, €5.0 debt factoring facility in Spain and €2.0 million invoice discounting facility in France. Net bank debt at 31 December 2020, including finance leases, was £27.1 million (2019: £22.3 million).

Statement of Financial Position

Non-current assets are £71.2 million (2019: £73.5 million). The Group's Statement of Financial Position remains strong with net assets of £33.2 million (2019: £41.3 million).

Tax

The Group follows a responsible and transparent approach to tax matters. The Group takes its responsibilities for tax extremely seriously and is firmly committed to meeting all statutory tax obligations, wherever in the world they might arise. The Group regularly reviews all tax risks and takes steps to both monitor and, where appropriate, mitigate these risks. The effective tax rate for the Group is high due to credits not available for amortisation and higher tax rates on overseas profits.

Future outlook

As explained in note 1 in the financial statements, the COVID-19 outbreak and resulting necessary measures taken by various governments to contain the virus continues to impact parts of the Group in 2021.

The diversity of the Group's geographical and market spread provided some counterbalance to these effects, which have now ameliorated as key European markets commence the roll out of the COVID-19 vaccine.



Strategic Report (continued)

Future outlook (continued)

The initial success of the UK vaccination rollout allowed the initial easing of the third national lockdown within the UK, which is forecast to continue, allowing Fairfax Meadow Europe's customers to re-open.

Fairfax Meadow Europe has actively maintained relationships and clear communications with customers and suppliers alike. Such initiatives were key to the seamless re-mobilisation of trade when hospitality restrictions were lifted during 2020, allowing the customer base and the company to maximise the opportunities on reopening and in particular on the strong trade throughout the government's 'Eat Out To Help Out' scheme in August 2020. The uptake during these periods when restaurants were able to open showed the resilience of Fairfax Meadow Europe. The UK government's roadmap out of lockdown has allowed outdoor hospitality to open from 12th April. The early sign is the level of customer enthusiasm for restaurants and pubs is strong. The Company has been working hard with customers for the reopening of indoor dining on 17th May to allow for Fairfax Meadow Europe to capitalise on this demand. Until all restrictions are lifted Fairfax Meadow Europe continues to curtail losses using the methods mentioned above.

The fruit businesses, primarily supplying the super-market channel, traded well throughout the pandemic.

The Board of Directors ("the Board") has considered our forward financial position for the Group as a whole, including detailed financial models to December 2022. These incorporate a severe but plausible downside scenario, assessed conservatively at a business unit by business unit level. This included assessing the risk of disruption to supply chains, cautiously reflecting potential improvements in businesses most significantly impacted and consideration of mitigations to further preserve cash, if necessary, within the business.

On the basis of these forecasts, having regard to existing and forecast liquidity, the availability of various external financial facilities and consideration of any associated bank covenants, the Directors are confident that we currently have sufficient financial resources available.

On top of the strength and resilience of the Group's balance sheet and our diverse business portfolio, the Group benefits from the tenacity, entrepreneurship, and flexibility of our employees, and the strong support we continue to enjoy from our lenders and shareholders.

The UK's decision to exit the European Union could have an adverse impact on consumption and affect the availability of labour. Our investment plans should mitigate the risk of reduced supply and we will look to improve our productivity and translate risks into opportunities. At a Group and business level we prepared for the changes in legislation which came into effect at the end of the transition period on 31 December 2020 and, thus far, there has been an immaterial impact on the Group.

Governance

The Board recognises that an effective system of governance is essential to the fulfilment of corporate responsibilities and the achievement of strategic objectives. In recognition of this, the Board strives to observe high standards in governance. As an unlisted Company, the Company does not have to comply with the revised Combined Code. However, the Board believes in providing a framework that establishes good governance and accountability. We have set out how the Board applies the principles of good governance and best practice.

The Board

The aim of the Board is to develop sustainable businesses with the principal objective of enhancing shareholder value. The Board maintains full and effective control over the Company's business affairs and assesses the performance of the Company and its subsidiaries. It met eleven times during the year. Additionally, the Board receives updates as necessary between meetings.

The Board includes four independent non-executive Directors, one of whom acts as Chairman separate from the Chief Executive and one of whom is a non-executive director appointed by shareholders. The role of the non-executive Directors is to bring independent judgement to the Board's deliberations and decisions. The non-executive directors do not have responsibilities for the day-to-day management of the Company; this is the responsibility of the executive Directors and other members of the senior management teams.



Strategic Report (continued)

Governance (continued)

The Board (continued)

The composition and effectiveness of the Board is reviewed regularly to ensure that the experience of its executive and non-executive directors meets the requirements of the Company and its business operations. In doing so, the Board also takes into consideration the balance of executive to non-executive Directors and their terms of service.

All directors are entitled to receive independent professional advice at the Company's expense.

Board Committees

The Board has established a Remuneration Committee and an Audit Committee, both with defined terms of reference.

Remuneration Committee

The main responsibilities of the Remuneration Committee are to:

- determine and agree with the Board the strategy for remuneration
- have delegated authority to set individual remuneration arrangements for the CEO and other executive Directors
- recommend and monitor the level and structure of remuneration for senior management across the Group

In determining such policies, the Committee reviews and agrees the overall market positioning of the remuneration package, individual base salaries and annual increases, annual and long-term incentive arrangements and sets the relevant targets for performance related schemes and pension arrangements. The Committee met once last year. No director votes on their own remuneration.

The Group's policy on remuneration is that the overall remuneration package should be sufficiently competitive to attract, retain and motivate high quality employees capable of achieving the Group's strategic objectives.

The fees and other payment arrangements for non-executive directors are matters for consideration by a sub-committee of the Board, which makes recommendations to the Board as a whole.

The Board believes the level of remuneration of its non-executive directors is fair in relation to the responsibilities and time commitments involved and that the level of

remuneration does not preclude them from acting independently.

Audit Committee

The main responsibilities of the Audit Committee cover:

- the appropriateness of accounting policies, compliance with accounting standards and material matters such as critical accounting judgements and estimation uncertainty
- the adequacy and effectiveness of internal systems of reporting and controls
- the scope of the audit, action required as a result of auditors' findings and conclusions and the auditors' remuneration
- compliance with Company policies and with the external codes of conduct or regulations
- risk management

The Audit Committee met three times last year. The meetings are attended by the external auditors, PricewaterhouseCoopers LLP, twice a year, giving them an opportunity to talk with the Audit Committee without any executive directors being present.

The Audit Committee considers the re-appointment of the external auditors based on performance, cost and independence and reports its findings to the Board. The audit firm provides non-audit work to the Group. The level of such work is reviewed annually to ensure there is no impediment to the firm's independence and the Group would periodically benchmark the fees and level of work against other audit companies.

Internal control

The Board maintains full control and direction over appropriate strategic, financial, organisational and compliance issues, and has put in place an organisational structure with formally defined lines of responsibility and delegation of authority. The Committee reviews the need for a Group Internal audit function annually. Given the manageable level of risk and historical issues, the Committee continues to delegate to the senior management team the implementation of the systems of internal financial control. An internal control framework can only provide reasonable not absolute assurance against material misstatement or loss. The Directors are not aware of any significant weaknesses or deficiencies in the Company's system of internal control.



Strategic Report (continued)

Governance (continued)

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

The Board consider that they have acted in the way they consider would be most likely to promote the success of the Group for the benefit of its members as a whole in the decisions taken during the year ended 31 December 2020.

As noted above the Board meet frequently throughout the year. At these meetings the benefits and long-term consequences of new investments, capital expenditure over £0.3 million, disposals of assets, Brexit, the COVID-19 pandemic and financing decisions are discussed and, where appropriate, approved. The Group's five-year plan, which sets out the Group's strategy for the next five years and is designed to have a long term beneficial impact on the company, is rigorously reviewed by the managing directors prior to review and approval by the Board. Our employees are fundamental to the delivery of our plan and we aim to be a responsible employer in our approach to the pay and benefits our employees receive.

The health, safety and well-being of our employees is a top priority for our businesses with active endorsement and accountability from the managing directors of each business and regular external health and safety audits are completed.

Our intention is to behave responsibly and ensure that management operate the business in a responsible manner. Maintaining the Group's reputation for high standards of business conduct and relationships with customers is of vital importance. The safety and integrity of our products are managed throughout the supply chain and product safety is put before economic considerations. At customer level, the monitoring of key performance indicators, such as service levels and customer complaints, enables the business to ensure it offers excellent customer service and quality product. Continued capital investment allows for continual product development with our customers.

Annually the Board considers and approves the Group's Modern Slavery and Human Trafficking Statement which explains the activities we have undertaken during the year to demonstrate our commitment to seeking to ensure there is no slavery, enforced labour or human trafficking within

any part of our business or in our supply chains. This can be found at our website www.argentgroup.com.



Strategic Report (continued)

Board of Directors

Margaret Mountford

Chairman

Non-executive director

Member of Audit Committee

Member of Remuneration Committee

Margaret was a corporate finance partner at Herbert Smith Freehills for 16 years. She also chairs Marylebone Boys' School and the St. Marylebone CE Bridge School. Margaret became Chairman of the Argent Foods Board in December 2012.

David Gray

CEO

David is a Chartered Accountant who has over 20 years' experience at Argent Foods Limited and over 30 years of experience in the industry. David led the management buy-out in 2010, which gave him a controlling interest in the Group.

John Oldcorn

CFO

Prior to joining Argent in 2018, John spent 25 years working in professional practice with Arthur Andersen, Deloitte and, latterly, KPMG, the last 16 years as a partner. He co-led the creation and rapid growth of a dedicated, multi-disciplinary, private equity practice serving global PE clients and their portfolio companies across Europe, typically in a fast-paced M&A environment.

Andrew Barnes

Non-executive director

Andrew is a Chartered Accountant who has over 20 years' experience with the Group. He has an MBA from London Business School and previously worked at KPMG. He also chairs the Finance, Audit & Risk Committee at Marylebone Boys' School and is a director of Active Proteins Limited. Andrew was previously CFO and has been a director on the Group's Board since 2001.

Andrew King

Chairman of Remuneration Committee

Non-executive director

Member of Audit Committee

Andrew is the director appointed by shareholders. He trained as a butcher and founded Tendercut Meats in 1992. He also had several business ventures in the boating sector, serving as Chairman for Hamble Yacht Services. Andrew has been a director on the Group's Board since 2010.

Adam Olins

Chief Executive of BerryWorld Group

Adam was the Managing Director of BerryWorld and in 2007, also became Managing Director of the Poupart Group. In January 2016, Adam relinquished the title of Managing Director of the Poupart Group to fully focus on growing the BerryWorld businesses across the globe as Chief Executive Officer of BerryWorld Group.

Penny Tomlinson

Chief Executive of Fairfax Meadow Europe

Penny was appointed Managing Director of Fairfax Meadow Europe in 2012, having been its sales director since 2002. Penny has over 20 years' experience in the food service sector. Penny is also an active committee member of the Meat Business Women organisation, which promotes and encourages women into the Meat Industry.

Steve Wootten

Chairman of Audit Committee

Non-executive director

Member of Remuneration Committee

Steve was with PwC for 38 years, 28 as an audit partner specialising in Consumer Goods clients. He joined the Board as an Independent Non-Executive Director on 13 June 2019. He is also a Trustee and Chairman of the Resource & Governance committee of The Change Foundation, a charity which helps to improve the lives of marginalised young people through the power of sport. In addition, he is a member of the General Committee of Surrey County Cricket Club.



Strategic Report (continued)

Performance management

Annual budgets and longer-term financial plans are developed by the directors to target improved business performance. The directors review the performance of all business units through comprehensive monthly business reviews, comparing actual results against budgeted expectations and prior year achievements. Particular emphasis is placed on monitoring turnover, operating costs, EBITDA, cash flows, debt and working capital levels. In addition, other key performance indicators monitored by the directors are as follows:

Measure	2020	2019	Performance
Adjusted continuing EBITDA growth: this measure shows the underlying trend and performance of the business.	(78.3)%	(24.1)%	Adjusted continuing EBITDA decreased compared to last year, reflecting the impact of COVID-19 on Fairfax Meadow Europe and PrepWorld UK.
Return on capital employed: this ratio is a relative profit measurement that demonstrates the adjusted return the business is generating from its gross assets	(5.4)%	1.6%	ROCE decreased this year, reflecting the decrease in adjusted profitability.
Free cash flow: this measures the cash generated by the Group's operations after investments and tax.	£(0.3)m	£15.4m	The reduction in the Group's cash flow reflects the decrease in adjusted profitability. The Group made investments during the year in projects intended to achieve future growth demonstrating our strength and commitment to our future growth plans.
Interest coverage: this ratio shows the ease with which interest payments can be met and is calculated as adjusted EBITDA divided by net interest payable.	0.9x	4.3x	The Group's ability to meet its interest obligations continues to be satisfactory. The Group can service its debt.

Managing risk

As with any business, the Group faces a range of risks and uncertainties in the course of its activities. The Board views effective risk management as part of its role in providing strategic oversight to the Group. In order to deliver our strategic plans, we must understand and respond appropriately to risk and also consider whether additional business opportunities can be realised through effective risk management.



Strategic Report (continued)

Managing risk (continued)

The Board has overall responsibility for the Group's risk management framework, which is reviewed by the Audit Committee. The implementation of risk management and internal control systems is the responsibility of the executive directors and other senior management.

As explained in note 1 in the financial statements, the COVID-19 outbreak and resulting measures taken by various governments to contain the virus have affected all of our businesses, albeit some more significantly than others.

In addition to the already known effects, the macroeconomic uncertainty causes disruption to economic activity and it is unknown what the longer term impact on our business may be.

The scale and duration of this pandemic remain uncertain but are expected to further impact our business. The main risks that result from the current uncertain situation regarding COVID-19 are:

Risk area	
Revenues and profitability	As a diverse group of food suppliers, primarily supplying the supermarket channel, we are fortunate that most of the individual business units within the Group have been less adversely impacted than other businesses by the COVID-19 outbreak. However we are not immune to any fall in overall economic activity or consumer spending. The Group's subsidiary, Fairfax Meadow Europe, supplies the hotel, pub, restaurant, travel and leisure industries which are more severely affected by the COVID-19 pandemic. However, the Group maintains a diverse portfolio of businesses, trading across various geographies, providing flexibility and resilience as products can be routed to different markets which, whilst potentially reducing margin, would continue to drive cash flow and profits.
Internal controls	The change to 'normal' working with most office staff working from home does put some controls under pressure. However, we are confident that the control environment and mind-set is strong enough that it can be maintained through small adaptations already implemented and the continued segregation of duties.
Going concern	The Directors have reviewed the ability of the Group to continue as a going concern and have concluded that there is no material risk. See note 1 for more details.
Health & Safety	The Health and Safety of employees is a priority for the Group. We have taken a number of measures to monitor and prevent the effects of the COVID-19 virus including social distancing, temperature checking and use of appropriate PPE, and working from home where possible. The Group is rightfully proud and appreciative of the achievements of all employees and their immense contribution throughout a very challenging year.



Strategic Report (continued)

Managing risk (continued)

In addition, the Directors have identified the following principal risks and uncertainties that could have the most significant impact on the Group's value generation:

Risk area	Nature of risk and possible repercussion	Mitigation
Operational risk:		
State of the economy	The fragility of growth in the economies in which the Group operates may adversely impact sales or sales mix and, ultimately, lower profitability and cash flow. The UK's decision to leave the European Union has had little immediate impact on our results. The impact of COVID-19 on the state of the economy and our businesses is discussed above and in note 1.	Although the Group cannot directly influence general economic conditions or consumer spending, the range of products across the Group offers affordable choice to most socio-economic groups thus covering any changes to consumer and market trends. The Group's operational capability enables us to adapt quickly to changing consumer trends. Our activities are increasingly less dependent on the UK economy, enabling our operations to diversify economic risk.
Competitive environment and customer risk	The loss of all or part of the Group's business with one or more of its major customers would adversely impact the Group's results.	Through scale, investment in the supply chain and development of proprietary varieties the soft fruit divisions have positioned themselves well in the market. There is robust competition in the catering meat market, which the Group manages by maintaining strong customer relationships and delivering high levels of service and quality. At customer level, the monitoring of key performance indicators, such as service levels and customer complaints, enables the business to ensure it offers excellent customer service, quality products, low costs and innovative product development.
Product safety and quality	A breach of food safety legislation may lead to reputational damage and regulatory penalties, including restrictions on operations, damages or fines.	The safety and integrity of our products are managed throughout the supply chain. Product safety is put before economic considerations. Our businesses employ quality control specialists and operate strict policies within an organisational culture of hygiene and product safety to ensure that consistently high standards are maintained in our operations and in the handling and sourcing of raw materials. All sites operate food safety systems that are regularly reviewed to ensure they remain effective, including compliance with all regulatory requirements for food hygiene and safety.



Strategic Report (continued)

Managing risk (continued)

Risk area	Nature of risk and possible repercussion	Mitigation
Workplace health and safety	Many of our operations by their nature have the potential for injuries and accidents to employees, contractors and visitors. See above for Health and Safety risk in relation to COVID-19.	Safety, alongside food safety, is the number one priority for our businesses with active endorsement and accountability from the managing directors of each business. Our Health and Safety Policy and practices are firmly embedded in each business supporting a strong ethos of workplace safety and is a standard agenda item for Group Board meetings. The Group's Health & Safety Officer conducts audits to verify implementation of policies and to support continuous improvement. Best practice safety and occupational health training is provided across the businesses.
Price and supply of raw materials	The price and supply of raw materials is largely influenced by the environment in which the product originates. Changes in price would impact the core profitability of the Group's business and any related shortage in supply will impact the business' ability to maintain its service levels to customers.	BerryWorld Group has developed close working relationships with growers and retailers. This year we have again invested in fruit supply and the grower base. The rest of the Group maintains a high level of expertise in its buying teams, enabling it to monitor raw material sources on a global basis and seek to negotiate forward purchase contracts where appropriate with key suppliers. The teams also cultivate strong relationships with major suppliers to ensure continuity of supply at competitive prices.
Quality of raw materials	The Group could be negatively impacted should it be supplied with raw materials which do not meet the Group's high standards.	The Group continues to work closely with its suppliers to certify that the raw materials sourced are of the highest quality. BerryWorld Group has exclusive access to leading soft fruit varieties and has developed its own varieties, ensuring their quality. The Group ensures traceability of its produce in order to monitor the quality and derivation of its raw materials.
Business continuity	The Group operates from several sites, the loss of which, for example as a result of fire, would present significant operational difficulties.	The Group's operations have business continuity plans in place to manage the impact of such an event should it occur and insurance programmes to mitigate the financial consequences.
Litigation risk	The Group is from time to time party to legal proceedings and claims that arise in the ordinary course of business. Please see note 30 for details of current litigation.	The Group has systems in place to manage the impact of such litigation. The Group regularly reviews all legal risks and takes steps to both monitor legal risks and, where appropriate, engage legal representation.
Breaches of IT and information security	Our delivery of efficient and effective operations is enhanced by sharing information and the use of technologies. We are, therefore, subject to threats such as computer viruses and the loss or theft of data. There is also the potential for disruption to operations from unforeseen IT and system malfunctions or external attack.	We seek to understand the changing cyber risks and how these will impact our businesses. We have well-established processes, IT security policies and technologies in place to minimise the risk of a virus or theft. Access to sensitive data is restricted and closely monitored. Robust disaster recovery plans are in place for business critical applications. The Group closely monitors its compliance with the General Data Protection Regulation throughout its businesses and



Strategic Report (continued)

Managing risk (continued)

Risk area	Nature of risk and possible repercussion	Mitigation
Breaches of IT and information security (continued)		supply chain. Policies have been implemented in order to minimise the risk of data breaches and to ensure, in the event of a breach, that the appropriate action is taken.
Financial risk:		
Movement in interest rates and exchange rates	The Group borrows funds to finance working capital and capital investment. Bank borrowings vary considerably throughout the year. Such borrowings have variable interest rates based upon banks' base rates and interest risks are, therefore, subject to fluctuations in such rates. The Group is exposed to foreign currency risk on purchases of imported materials.	The Group has entered into interest rate swaps and future forward currency contracts to manage its exposure to floating interest rate debt and currency fluctuations.
Credit	A large proportion of sales are made on credit terms. The Group is exposed to counter party credit risk when dealing with customers and from certain financing activities. Granting of credit to inappropriate parties or failure to collect debts on a timely basis could leave the Group exposed to losses.	The Group maintains strong relationships with each of its key customers and has established credit control parameters. Credit evaluations are performed on all customers requiring significant credit and outstanding debts are continuously monitored by each business. Aggregate exposures are monitored at Board level and, where appropriate, limits are set for higher risk counterparties. In addition, the Group maintains credit insurance where appropriate.
Liquidity	The Group needs access to funding for current business and future growth.	The Group has committed bank facilities available to meet its long-term capital obligations and to meet any unforeseen obligations and opportunities. Banks are selected for their credit status, global reach and ability to meet the businesses' day-to-day banking requirements. Debt is managed centrally and appropriate headroom is maintained.
Human Resources:		
People	The Group is dependent on continuing to attract, retain, develop and motivate the best people with the right capabilities at all levels in the organisation. Following Brexit and the end of free movement employees from the EU must apply for pre-settled or settled status by 30 June 2021.	The Group mitigates the risk associated with loss of key personnel through succession planning, strong recruitment processes, effective incentives and ongoing training and development. The Group is assisting impacted employees in the application for pre-settled and settled status.



Strategic Report (continued)

Employees

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

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

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

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

On behalf of the Board

D J Gray
Director
11 June 2021

Level 5
9 Hatton Street
London
NW8 8PL



Directors' Report

The Directors present their Annual Report and the audited consolidated financial statements for the year ended 31 December 2020.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements, unless otherwise stated, were:

M R Mountford (Chairman)
A J Barnes
D J Gray
A S King
J N Oldcorn
A L Olins
P J Tomlinson
S Wooten

Financial instruments and future outlook

Details on financial instruments can be found within the Managing Risk section in the Strategic Report. Future outlook is detailed in the Strategic Report.

Dividends

No dividends were paid or proposed on ordinary shares during the year (2019: £nil).

Research and development

Innovation in supply chain and technologies remains important to our business success and we expect the level of research and development to increase over the next five years. Research and development costs of £803,000 (2019: £609,000) were charged to the Income Statement during the year.

Streamlined Energy and Carbon Reporting

Argent Foods Limited group undertook energy savings opportunity scheme ("ESOS") compliance and is reviewing the energy saving recommendations with a view to future implementation. However, the COVID-19 pandemic had a significant impact on the business with a reduction in throughput and staff numbers and consequently many initiatives were put on hold until business returns to a more normal operation.

	2020 Energy Units	2019 Energy Units	Variance	2020 tCO2e	2019 tCO2e	Variance
Scope 1 – Combustion of fuel and operation of facilities, refrigeration						
Natural Gas (kWh)	979,859	1,562,804	(37.3)%	180.2	287.3	(37.3)%
Direct Transport (kWh)	636,261	1,323,160	(51.9)%	146.7	319.4	(54.1)%
Total Scope 1	1,616,119	2,885,963	(44.0)%	326.9	606.7	(46.1)%
Scope 2 – Electricity purchased and heat and steam generated for own use						
London Based (LB) (kWh)	9,866,361	11,396,580	(13.4)%	2,300.2	2,913.0	(21.0)%
Market Based (MB) (kWh)	9,866,361	11,396,580	(13.4)%	1,756.2	2,029.6	(13.5)%
Total Gross Scope 1&2 (LB)	11,482,480	14,282,543	(19.6)%	2,627.1	3,519.7	(25.4)%
Total Gross Scope 1&2 (MB)	11,482,480	14,282,543	(19.6)%	2,083.1	2,635.4	(20.9)%
IR Total Gross Scope 1&2 (LB) – unit/£m turnover	24,023	24,935	(3.7)%	5.5	6.1	(9.8)%
IR Total Gross Scope 1&2 (MB) – unit/£m turnover	24,023	24,935	(3.7)%	4.4	4.6	(4.3)%



Directors' Report (continued)

Streamlined Energy and Carbon Reporting (continued)

The DEFRA 2019/2020 emission factor has been applied to this Report. No mandatory emissions have been excluded and it is aligned with the GHG protocol. 1.0% of the energy and emissions data is based on estimated or extrapolated values. The scope of emissions included in this Report are electricity, natural gas and direct transport.

Statement of directors' responsibilities in respect of the financial statements

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

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

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

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

The Directors are also responsible for safeguarding the assets of the Group and 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 Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

Directors' confirmations

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

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



Directors' Report (continued)

Going concern

The Board has considered our forward financial position for the Group as a whole, including detailed financial models to December 2022 as described in the Strategic Report, future outlook. On the basis of these forecasts, having regard to existing and forecast liquidity, the availability of various external financial facilities and consideration of any associated bank covenants, the Directors are confident that we currently have sufficient financial resources available to continue in operational existence for a minimum of 12 months from the date of signing of this report. On top of the strength and resilience of the Group's balance sheet and our diverse business portfolio, the Group benefits from the tenacity, entrepreneurship and flexibility of our employees, and strong support from our lenders and shareholders. Based on the circumstances described above and in note 1, we continue to adopt the going concern basis in preparing the financial statements.

Post balance sheet events

Significant events affecting the Group that have arisen between 31 December 2020 and the date of this report and that require disclosure are described in note 34.

Independent auditors

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

On behalf of the Board

J N Oldcorn
Director
11 June 2021

Level 5
9 Hatton Street
London
NW8 8PL



Independent auditors' report to the members of Argent Foods Limited Report on the audit of the financial statements

Opinion

In our opinion, Argent Foods Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2020 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: Consolidated and Company Statements of Financial Position as at 31 December 2020; Consolidated Income Statement and Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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



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

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax regulation in the jurisdictions in which the Group and Company operates, pensions legislation, and food safety and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of unusual journals outside the normal course of business, significant estimates, revenue recognition journal entries in order to manipulate the Group and Company's performance profit measures and other key performance indicators to meet remuneration targets. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the engagement team included:

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

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

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



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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Andrew Latham (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Watford

14th June 2021



Consolidated Income Statement

for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000		Total
			Continuing operations	Discontinued operations	
Turnover	2	670,473	738,512	8,766	747,278
Cost of sales		(608,167)	(663,596)	(8,123)	(671,719)
Gross profit		62,306	74,916	643	75,559
Distribution costs		(6,035)	(8,408)	(259)	(8,667)
Administrative expenses:					
Before exceptional items		(66,309)	(61,685)	(1,214)	(62,899)
Exceptional items	3	(503)	(1,196)	(345)	(1,541)
Total administrative expenses		(66,812)	(62,881)	(1,559)	(64,440)
Other operating income	4	4,768	567	-	567
Loss on disposal of property, plant and equipment and investment properties	5	(82)	(500)	(2,526)	(3,026)
Profit on disposal of subsidiary		-	107	-	107
Operating (loss)/profit		(5,855)	3,801	(3,701)	100
Losses from interests in associated undertakings		(773)	(1,297)	-	(1,297)
(Loss)/profit before interest and taxation	6	(6,628)	2,504	(3,701)	(1,197)
Other interest receivable and similar income		544	909	1	910
Interest payable and similar expenses		(3,509)	(3,236)	(463)	(3,699)
Net interest expense	9	(2,965)	(2,327)	(462)	(2,789)
(Loss)/profit before taxation		(9,593)	177	(4,163)	(3,986)
Tax on (loss)/profit	10	979	(1,681)	361	(1,320)
Loss for the financial year		(8,614)	(1,504)	(3,802)	(5,306)
Attributable to:					
Owners of the parent		(8,243)	(1,327)	(3,802)	(5,129)
Non-controlling interests		(371)	(177)	-	(177)
Loss for the financial year		(8,614)	(1,504)	(3,802)	(5,306)



Consolidated Statement of Comprehensive Income

for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000		Total
			Continuing operations	Discontinued operations	
Loss for the financial year		(8,614)	(1,504)	(3,802)	(5,306)
Other Comprehensive Income					
Currency translation difference on foreign investments		1,341	(1,759)	(79)	(1,838)
Actuarial (loss)/gain relating to pension schemes	25	(773)	519	-	519
Deferred tax credit/(charge) attributable to actuarial (loss)/gain	11	104	(70)	-	(70)
Unrealised gain on property revaluation	14	-	1,277	-	1,277
Deferred tax on unrealised gain on property revaluation	11	(104)	216	-	216
Total Other Comprehensive Income, net of tax		568	183	(79)	104
Total Comprehensive Loss for the year		(8,046)	(1,321)	(3,881)	(5,202)
Attributable to:					
Owners of the parent		(8,064)	(998)	(3,881)	(4,879)
Non-controlling interests		18	(323)	-	(323)
Total Comprehensive Loss for the year		(8,046)	(1,321)	(3,881)	(5,202)



Consolidated Statement of Financial Position

as at 31 December 2020

	Note	2020 £'000	2019 £'000
Non-current assets			
Intangible assets	13	23,795	26,492
Property, plant and equipment	14	32,046	29,568
Investment properties	15	13,900	14,895
Investments	16	1,469	2,534
		71,210	73,489
Current assets			
Inventories	17	16,688	14,063
Debtors (including £13,737,000 (2019: £14,094,000) amounts falling due after more than one year)	18	84,364	93,718
Cash at bank and in hand		9,631	15,088
		110,683	122,869
Creditors: amounts falling due within one year	19	(83,374)	(91,982)
Net current assets		27,309	30,887
Total assets less current liabilities		98,519	104,376
Creditors: amounts falling due after more than one year	20	(53,708)	(54,757)
Provisions for liabilities	23	(7,824)	(4,969)
Pension liability	25	(3,765)	(3,382)
Net assets		33,222	41,268
Capital and reserves			
Called up share capital	26	1,006	1,006
Share premium account		360	360
Revaluation reserve		9,593	9,822
Accumulated losses		(15,142)	(7,307)
Total equity attributable to owners of the parent		(4,183)	3,881
Non-controlling interests		37,405	37,387
Total equity		33,222	41,268

The financial statements on pages 21 to 59 were approved by the Board of Directors on 11 June 2021 and were signed on its behalf by:

J N Oldcorn
Director



Company Statement of Financial Position

as at 31 December 2020

	Note	2020 £'000	2019 £'000
Non-current assets			
Property, plant and equipment	14	79	118
Investments	16	32,211	32,211
		32,290	32,329
Current assets			
Debtors	18	1,280	1,907
Cash at bank and in hand		1,132	3,927
		2,412	5,834
Creditors: amounts falling due within one year	19	(3,394)	(4,609)
Net current (liabilities)/assets		(982)	1,225
Total assets less current liabilities		31,308	33,554
Creditors: amounts falling due after more than one year	20	(19,609)	(24,341)
Provisions for liabilities	23	(3)	(8)
Net assets		11,696	9,205
Capital and reserves			
Called up share capital	26	1,006	1,006
Share premium account		360	360
Retained earnings		10,330	7,839
Total equity		11,696	9,205

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company Income Statement. The profit for the Company for the year was £2,491,000 (2019: loss of £3,589,000).

The financial statements on pages 21 to 59 were approved by the Board of Directors on 11 June 2021 and were signed on its behalf by:

J N Oldcorn
Director



Consolidated Statement of Changes in Equity

for the year ended 31 December 2020

	Attributable to equity shareholders						
	Called up share capital £'000	Share premium account £'000	Revaluation reserve £'000	Accumulated losses £'000	Total equity attributable to owners of the parent £'000	Non-controlling interests £'000	Total equity £'000
Balance at 1 January 2019	1,006	360	9,669	(2,275)	8,760	37,946	46,706
Loss for the financial year	-	-	-	(5,129)	(5,129)	(177)	(5,306)
Other Comprehensive Income/(Loss) for the year	-	-	-	250	250	(146)	104
Total Comprehensive Loss for the year	-	-	-	(4,879)	(4,879)	(323)	(5,202)
Transfer on disposal	-	-	(2,256)	2,256	-	-	-
Revaluation of investment properties (net of deferred tax)	-	-	1,162	(1,162)	-	-	-
Revaluation of freehold properties (net of deferred tax)	-	-	1,247	(1,247)	-	-	-
Transactions with owners							
Dividends paid to non-controlling interests	-	-	-	-	-	(236)	(236)
Total transactions with owners	-	-	-	-	-	(236)	(236)
Balance at 31 December 2019	1,006	360	9,822	(7,307)	3,881	37,387	41,268
Loss for the financial year	-	-	-	(8,243)	(8,243)	(371)	(8,614)
Other Comprehensive Income for the year	-	-	-	179	179	389	568
Total Comprehensive Loss for the year	-	-	-	(8,064)	(8,064)	18	(8,046)
Transfer on disposal	-	-	(229)	229	-	-	-
Balance at 31 December 2020	1,006	360	9,593	(15,142)	(4,183)	37,405	33,222



Company Statement of Changes in Equity
for the year ended 31 December 2020

	Called up share capital £'000	Share premium account £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2019	1,006	360	11,428	12,794
Total Comprehensive Loss for the year	-	-	(3,589)	(3,589)
Balance at 31 December 2019	1,006	360	7,839	9,205
Total Comprehensive Income for the year	-	-	2,491	2,491
Balance at 31 December 2020	1,006	360	10,330	11,696



Consolidated Statement of Cash Flows

for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Net cash from operating activities	27	6,045	20,751
Tax paid		(1,540)	(2,344)
Net cash generated from operating activities		4,505	18,407
Cash flow from investing activities			
Proceeds on sale of property, plant and equipment		1,137	2,488
Purchase of property, plant and equipment and other assets		(7,066)	(8,673)
Purchase of fixed asset investments		(699)	-
Disposal of subsidiaries, net of cash disposed		-	2,513
Investment in subsidiaries		(342)	(733)
Interest received		544	910
Dividends received from associates		1,651	462
Net cash used in investing activities		(4,775)	(3,033)
Cash flow from financing activities			
Repayment of debt facilities		(4,582)	(12,002)
Addition of unsecured loan		221	490
Addition/(repayment) of obligations under finance leases		2,624	(877)
Preference dividends paid		(410)	(401)
Dividends paid to non-controlling interests		-	(236)
Interest paid		(3,041)	(3,183)
Net cash used in financing activities		(5,188)	(16,209)
Net decrease in cash and cash equivalents		(5,458)	(835)
Effect of exchange rates on cash and cash equivalents		1	763
Cash and cash equivalents at the beginning of the year		15,088	15,160
Cash and cash equivalents at the end of the year		9,631	15,088
Net decrease in cash and cash equivalents		(5,458)	(835)
Effect of exchange rates on cash and cash equivalents		1	763
Cash flow from repayment of in debt		2,172	12,625
Change in net debt resulting from cash flows		(3,285)	12,553
Net debt at the beginning of the year		(42,348)	(54,901)
Net debt at the end of the year	28	(45,633)	(42,348)



Notes to the financial statements

for the year ended 31 December 2020

1. Accounting policies

General information

Argent Foods Limited is the holding Company for the Argent Foods Limited group ("the Group"). The Group's activities during the year were focused on the food sector and principally concern the processing, manufacture, supply and marketing of fresh fruit and produce, meat, poultry, and animal by-products.

The Company is a private company limited by shares and is incorporated and domiciled in England, registration number 07081161. The address of its registered office is Level 5, 9 Hatton Street, London NW8 8PL.

Statement of compliance

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

Basis of preparation

The financial statements are presented in Sterling and rounded to the nearest thousand, unless otherwise stated. They are prepared on a going concern basis (see below) under the historical cost convention, modified by the revaluation of certain fixed assets and in accordance with FRS 102 and the Companies Act 2006.

Under Section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own Income Statement.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Group's shareholders. The Company has taken advantage of the following exemptions in its financial statements:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows; FRS 102 p1.12;
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures; and
- from the key management personnel disclosure, on the basis that key management personnel and directors are the same; FRS 102 33.7A.

Going concern

The COVID-19 outbreak developed rapidly in 2020. As explained in the Strategic Report, measures taken by various governments to contain the virus negatively affected the economy and therefore the Group's results. However, the nature of the Group's activities mean we are less impacted than many other businesses.

In addition to the already known effects of the COVID-19 outbreak and resulting government measures, the macroeconomic uncertainty causes disruption to economic activity, and it is unknown what the longer-term impact on our business may be.

The COVID-19 virus could evolve in various directions. If society, and as a consequence business, is exposed to COVID-19 for a much longer period of time than expected, this may continue to impact the way consumers purchase and consume food, at home, in restaurants or on the move. This could result in protracted or even permanent changes to certain sectors of our markets and, potentially, in prolonged negative results and pressure on our liquidity. The way market and economy evolves will depend on the success of the UK Government's roadmap out of lockdown and the international roll out of the COVID-19 vaccination scheme.



Notes to the financial statements (continued)

for the year ended 31 December 2020

1. Accounting policies (continued)

Going concern (continued)

The Board has considered the forward financial position for the Group as a whole, including detailed financial models to December 2022. These incorporate a severe but plausible downside scenario assessed conservatively at a business unit by business unit level. This included assessing the risk of disruption to supply chains, cautiously reflecting potential improvements in businesses most significantly impacted and consideration of mitigations to further preserve cash, if necessary, within the business. On the basis of these forecasts, having regard to existing and forecast liquidity, the availability of various external financial facilities and consideration of any associated bank covenants, the Directors are confident that the Group has sufficient liquidity and will be able to operate within its covenants so as to continue as a going concern for at least 12 months from the date of these financial statements. On top of the strength and resilience of the Group's balance sheet and our diverse business portfolio, the Group benefits from the tenacity, entrepreneurship and flexibility of our employees, and the strong support we continue to enjoy from our lenders and shareholders. Based on the circumstances described above, the financial statements are prepared on the assumption that the entity is a going concern.

Basis of consolidation

Argent Foods Limited is a Company incorporated in England and Wales. The Group's financial statements include the financial statements of the Company and its subsidiaries controlled by the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All subsidiaries have financial year ends that are coterminous with the Company's financial year end of 31 December.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Group holds a long-term interest and where the Group has significant influence. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of associates are accounted for using the equity method of accounting. The Consolidated Income Statement includes the Group's share of associates' profits less losses while the Group's share of net assets of its associates is shown in the Consolidated Statement of Financial Position.

Uniform accounting policies have been consistently applied across the Group. Any profits or losses on intra group transactions and investors' share of profits or losses on transactions with associates have been eliminated on consolidation.

Declaration of guarantee

Under Section 479a of the Companies Act 2006, exemptions from an audit of the financial statements for the financial year ended 31 December 2020 have been taken by Argent Holdings Limited (03407545), Argent Meat Traders Limited (003680420), Argent Group Europe Limited (05823362), Barker & Hird (PP) Limited (02362856), Barker & Hird (WF) Limited (SC009957), Broad Stripe Butchers Limited (04074358), Cool Space Nottingham Limited (10732731), Citrus First (UK) Limited (07953609), Fairfax Meadow Limited (06823442), Norton Folgate Holdings Limited (06414731), OrchardWorld Holdings Limited (05652227), Poupart Produce Limited (09381898), The Orchard Fruit Company Limited (11121347), and Traiteur Properties (KT) Limited (04969369). As required, the Company guarantees all outstanding liabilities to which the subsidiary companies listed above are subject at the end of the financial year, until they are satisfied in full and the guarantee is enforceable against the parent undertaking by any person to whom any of the subsidiary companies listed above is liable in respect of those liabilities.



Notes to the financial statements (continued)

for the year ended 31 December 2020

1. Accounting policies (continued)

Summary of significant accounting policies



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

Foreign currencies

The Group financial statements are presented in pounds Sterling and are rounded to the nearest thousand, unless otherwise stated. The Group's functional and presentational currency is the pound Sterling. Foreign currency transactions are translated into the functional currency using the rate ruling at the date of transaction or at a forward rate where appropriate. At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement within administrative expenses.

The trading results of Group undertakings are translated into Sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year-end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in Other Comprehensive Income and allocated to non-controlling interest as appropriate.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand net of bank overdrafts when there is a cash pooling arrangement. The Company's bank overdraft is shown within borrowings in current liabilities.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key accounting estimates and assumptions

a) Fair value of freehold, leasehold and investment properties

Properties are held under the revaluation model. This requires the fair value of each property to be established, and the gain or loss for each year to be taken through the Income Statement if designated an investment property, or through the Statement of Other Comprehensive Income if designated property, plant and equipment. The fair value has been established by management through use of property experts, where necessary.

b) Impairment of goodwill and property, plant and equipment

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



Notes to the financial statements (continued)

for the year ended 31 December 2020

1. Accounting policies (continued)

Key accounting estimates and assumptions (continued)

c) Provisions

Provision has been made for the requirement to make repairs on dilapidations under the terms of certain property leases. This requires management's best estimate of costs that will be incurred based on legislative and contractual requirements. Provisions include deferred tax liabilities. The accounting policy for deferred taxation is included in note 24. Provisions include associate losses in excess of investment. The accounting policy for investments is included in note 16.

d) Defined benefit pension scheme

The Group has obligations to pay pension benefits to certain current and former employees. The cost of these benefits and the present value of the obligations depend on a number of factors including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Independent actuarial advice has been used to determine the net pension obligation in the Statement of Financial Position. The assumptions reflect historical experience and current trends.

e) Impairment of debtors

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

In February 2021, proceedings were instigated in Spain against the Group's subsidiaries BerryWorld Limited and BerryWorld Europe B.V.. See note 30 for further details. A loan was made to the claimant of this litigation by the Group in 2017 for repayment in 2027. The amount outstanding as at 31 December 2020 was €7.0 million which is included in other debtors (see note 18). The Group's view is that this balance is fully recoverable as the debt has not been disputed by the counterparty and is considered to be legally enforceable with a liquid counterparty. Therefore no provision has been made against it.

2. Turnover



Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, It is probable that the economic benefit will flow to the Group and the amount of revenue can be measured reliably.

Turnover represents the value of goods and services supplied, net of value added tax and trade discounts.

Segmental reporting is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure and combines businesses with common characteristics. Segmental turnover includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The Group is managed through four pillars or business segments: BerryWorld Group, The Orchard Fruit Company & Poupart Imports Group, Fairfax Meadow Group and Other Meat and By-Products Group. An analysis of turnover has been provided by reportable segment.

	BerryWorld Group £'000	The Orchard Fruit Company & Poupart Imports Group £'000	Fairfax Meadow Group £'000	Other Meat & By-Products Group £'000	Total £'000
2020	471,318	112,113	70,021	17,021	670,473
2019	459,994	100,865	161,382	25,037	747,278



Notes to the financial statements (continued)

for the year ended 31 December 2020

2. Turnover (continued)

Geographical segments

The second format, which is on a geographical basis, presents turnover for the following geographical segments; United Kingdom, Continental Europe and Rest of the World.

	United Kingdom £'000	Continental Europe £'000	Rest of the World £'000	Total £'000
2020	479,175	172,596	18,702	670,473
2019	569,719	152,456	25,103	747,278

3. Exceptional items



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

	2020 £'000	2019 £'000	Continuing operations	Discontinued operations	Total
Charged in arriving at operating profit:					
Exceptional items	503		1,196	345	1,541
Total exceptional items	503		1,196	345	1,541

Exceptional costs in 2020 include costs relating to Argent Foods Limited's subsidiaries;

- Fairfax Meadow Europe Limited: one off site closure costs for the business' Tilbrook site.
- New Zealand Light Leathers Limited: residual closure costs following the sale of the Company's trade and assets on 22 December 2019.

Exceptional costs in 2019 include costs relating to Argent Foods Limited's subsidiaries;

- Fairfax Meadow Europe Limited: one off costs associated with reshaping its operational footprint.
- New Zealand Light Leathers: redundancy costs.

Exceptional costs in 2019 also include costs relating to Argent Food's joint venture, PrepWorld S.L. They include one-off costs to dispose of the Group's share of the business and release the Group from any future liabilities in relation to the company and the reversal of the Group's share of associates losses recognised in the profit and loss account.

4. Other operating income



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

	2020 £'000	2019 £'000
Government grants (furlough income)	4,094	-
Other operating income	674	567
	4,768	567



Notes to the financial statements (continued)

for the year ended 31 December 2020

5. Loss on disposal of property, plant and equipment and investment properties

Following the decision to exit the New Zealand market, on 22 December 2019 the Group sold the trade and assets of New Zealand Light Leathers for NZ\$5.0 million (£2.6 million). This resulted in a loss on disposal of fixed assets of £2.5 million.

6. (Loss)/profit before interest and taxation

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

	2020 £'000	2019 £'000
Group Auditors' remuneration:		
- fees payable to the Company's auditors for the audit of the Group's annual financial statements	33	15
- fees payable to the Company's auditors for the audit of the Company's subsidiaries' annual financial statements	228	317
- tax compliance and advisory services	-	3
- other services	4	3
Other Auditors' remuneration		
- fees payable for the audit of the Company's subsidiaries' annual financial statements	58	-
Amortisation of intangible assets (note 13)	3,798	4,230
Amortisation of investments (note 16)	744	-
Depreciation of property, plant and equipment (note 14)		
- owned	3,261	4,139
- assets held under finance leases and hire purchase contracts	984	927
Impairment of intangible assets (note 13)	-	253
Impairment of investments (note 16)	-	204
Charge to/(reversal of) impairment of inventory (note 17)	621	(248)
Charge to impairment of debtors (note 18)	468	82
Foreign exchange loss/(gain) resulting from the settlement of transactions	1,228	(409)
Operating lease rentals		
- plant and machinery	2,125	1,711
- land and buildings	4,377	2,616
Loss on disposal of fixed assets	82	3,026
Research and development costs	803	609

7. Directors' remuneration

	2020 £'000	2019 £'000
Emoluments	2,057	1,656
Loss of office	-	444
Company contributions to money purchase pension schemes	10	26
	2,067	2,126

The number of directors who:

	2020 Number	2019 Number
Are members of money purchase pension schemes	2	3



Notes to the financial statements (continued)

for the year ended 31 December 2020

7. Directors' remuneration (continued)

Remuneration of the highest paid director:

	2020 £'000	2019 £'000
Emoluments	912	646
Defined benefit scheme		
Accrued pension at end of year	-	-

The Chief Executive Officer did not receive any remuneration during the current year or prior year from the Group but did receive remuneration from the Parent Company, Fletcher Bay Group Limited. The remuneration is recharged to the Group via a management fee. Please see note 31 for more details.

8. Employment



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

Short term benefits

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

Further details on pension arrangements are detailed in note 25.

The average monthly number of persons (including executive and non-executive directors) employed during the year was:

	Group		Company	
	2020 Number	2019 Number	2020 Number	2019 Number
Administration	487	537	17	17
Selling and distribution	184	206	-	-
Production and manufacturing	876	1,002	-	-
	1,547	1,745	17	17

Their aggregate remuneration comprised:

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Wages and salaries	55,017	57,285	2,029	2,068
Social security costs	5,525	5,899	276	308
Other pension costs	1,790	1,633	148	115
	62,332	64,817	2,453	2,491



Notes to the financial statements (continued)

for the year ended 31 December 2020

9. Net interest expense



Interest receivable and similar income comprises dividends received during the accounting year and interest receivable on investments. Interest is recognised using the effective interest rate method. Interest payable during the accounting year primarily consists of bank borrowings, defined benefit pension and finance lease interest.

	2020 £'000	2019 £'000
Interest receivable and similar income		
Interest receivable on bank deposits	453	635
Other interest receivable	91	275
	544	910
Interest payable and similar expenses		
Interest payable on overdrafts and bank loans	(1,855)	(1,869)
Other interest payable	(1,120)	(1,241)
Cumulative preference dividends	(410)	(401)
Net interest charged on pension	(59)	(115)
Finance lease interest payable	(65)	(73)
	(3,509)	(3,699)
Net Interest expense	(2,965)	(2,789)

10. Tax on loss



Current tax, including UK Corporation Tax and overseas tax, is included at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date. Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events have occurred at the Statement of Financial Position date that result in an obligation to pay more tax or a right to pay less tax in the future. Deferred tax assets are recognised only to the extent that they are considered recoverable in the future. Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse. Deferred tax assets and liabilities have been recognised in these financial statements using the future Corporation Tax rates expected when they are due to unwind.

The tax (credit)/charge represents:

	2020 £'000	2019 £'000
Current tax		
UK Corporation Tax on loss for the year	(930)	(351)
Tax on profits from associates	238	236
Foreign tax on profits for the year	1,782	1,539
Adjustments in respect of prior years	293	(236)
Total current tax	1,383	1,188



Notes to the financial statements (continued)

for the year ended 31 December 2020

10. Tax on loss (continued)

	2020 £'000	2019 £'000
Deferred tax		
Origination and reversal of timing differences	(2,415)	57
Adjustment in respect of post-retirement benefits	53	75
Total deferred tax (note 24)	(2,362)	132
Total tax (credit)/charge in profit and loss	(979)	1,320

Reconciliation of effective tax rate

The tax assessed for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

	2020 £'000	2019 £'000
Loss before tax	(9,593)	(3,986)
Loss before tax multiplied by the standard rate of Corporation Tax in the UK at 19.00% (2019: 19.00%)	(1,823)	(757)
Effects of:		
Expenses not deductible for tax purposes	1,327	809
Non-taxable income	(380)	-
Accelerated capital allowances and other timing differences	(638)	141
Tax rate differences and losses not recoverable on overseas results	447	1,153
Deferred tax on revaluation of investment property	-	238
Utilisation of tax losses	(59)	(77)
Adjustment in respect of post-retirement benefits	(146)	49
Adjustments in respect of prior years	293	(236)
Tax (credit)/charge for the year	(979)	1,320

Factors that may affect future tax charges

In the 2021 Budget, the UK Government announced that from 1 April 2023 the UK Corporation Tax rate would increase to 25% (rather than the rate remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have not been measured using these enacted tax rates but at the UK Corporation Tax rate enacted at the year end, 19%.

11. Tax income included in Other Comprehensive Income

	2020 £'000	2019 £'000
Deferred tax attributable to actuarial (loss)/gain	104	(70)
Deferred tax on unrealised gain on property revaluation	(104)	216
Total tax income included in Other Comprehensive Income	-	146

The amount included for deferred tax on unrealised gain on property revaluation in 2020 relates to the increase in the future tax rate in The Netherlands from 21.7% to 25%, increasing the deferred tax liability on historical revaluation gains and effects of foreign exchange.



Notes to the financial statements (continued)

for the year ended 31 December 2020

12. Loss attributable to the Company

As permitted by Section 408 of the Companies Act 2006 no separate Income Statement is presented in respect of the parent company. The loss for the financial year in the financial statements of the Company was £3,981,000 (2019: £3,757,000) excluding intercompany interest expense of £28,000 (2019: £nil), intercompany interest receivable of £nil (2019: £168,000), and intercompany dividends received of £6,500,000 (2019: £nil).

13. Intangible assets



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

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

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

The estimated useful lives are generally deemed to be:

Goodwill – over 5 to 10 years

Other intangibles – over 5 to 26 years

	Goodwill £'000	Other intangibles £'000	Total £'000
Cost			
At 1 January 2020	41,727	4,633	46,360
Additions	-	1,168	1,168
Foreign exchange translation adjustment	-	(45)	(45)
At 31 December 2020	41,727	5,756	47,483
Accumulated amortisation			
At 1 January 2020	19,083	785	19,868
Charge for the year	3,431	367	3,798
Foreign exchange translation adjustment	-	22	22
At 31 December 2020	22,514	1,174	23,688
Net book value			
At 31 December 2020	19,213	4,582	23,795
At 31 December 2019	22,644	3,848	26,492

The Company has no intangible assets.



Notes to the financial statements (continued)

for the year ended 31 December 2020

14. Property, plant and equipment



Plant, machinery, fixtures and fittings and leasehold improvements are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and capitalised borrowing costs.

Land and buildings are held under the revaluation model.

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

Land and buildings	-	over 30 years
Leasehold improvements	-	over the lease term
Plant, machinery, fixtures and fittings	-	over 1 to 10 years

Group	Land and Buildings £'000	Leasehold Improvements £'000	Plant, machinery, fixtures and fittings £'000	Total £'000
Cost or valuation				
At 1 January 2020	15,301	5,120	34,443	54,864
Additions	1,481	465	4,235	6,181
Disposals	(140)	(215)	(753)	(1,108)
Reclassification of asset	(1,088)	1,088	-	-
Foreign exchange translation adjustment	596	4	261	861
At 31 December 2020	16,150	6,462	38,186	60,798
Accumulated depreciation				
At 1 January 2020	709	1,979	22,608	25,296
Charge for the year	277	434	3,534	4,245
Depreciation on disposals	(140)	(47)	(697)	(884)
Foreign exchange translation adjustment	36	-	59	95
At 31 December 2020	882	2,366	25,504	28,752
Net book value				
At 31 December 2020	15,268	4,096	12,682	32,046
At 31 December 2019	14,592	3,141	11,835	29,568



Notes to the financial statements (continued)

for the year ended 31 December 2020

14. Property, plant and equipment (continued)

Included in the total net book value of plant, machinery, fixtures and fittings is £5,443,000 (2019: £3,084,000) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these leases was £984,000 (2019: £927,000).

UK and overseas land and buildings were held at directors' valuation or market value as at 31 December 2020 and 31 December 2019, using information provided by Bidwells, independent chartered surveyors. The market value has been determined having regard to factors such as the location and recent market transactions in the sector.

Under the cost model, the carrying amount of land and buildings at 31 December 2020 would have been £13,357,000 (2019: £13,641,000).

The net book value of land and buildings comprises:

	2020 £'000	2019 £'000
Freehold	12,668	11,992
Leasehold	2,600	2,600
Net book value	15,268	14,592

Company	Plant, machinery, fixtures and fittings £'000
Cost	
At 1 January 2020	202
At 31 December 2020	202
Accumulated depreciation	
At 1 January 2020	84
Charge for the year	39
At 31 December 2020	123
Net book value	
At 31 December 2020	79
At 31 December 2019	118

15. Investment properties



Investment properties are revalued annually with the aggregate surplus or deficit being recognised in the Income Statement. No depreciation is provided in respect of investment properties. The fair value has been established by management through use of property experts where necessary. The assets are reviewed for impairment if there are factors indicating that the carrying value may be impaired.

Group	£'000
Valuation	
At 1 January 2020	14,895
Disposals	(995)
At 31 December 2020	13,900

On the 29 May 2020, the Group's subsidiary, Belwood Foods Limited, sold its investment properties.



Notes to the financial statements (continued)

for the year ended 31 December 2020

15. Investment properties (continued)

Investment properties were valued at directors' valuation or market value as at 31 December 2020 and 31 December 2019, using information provided by Bidwells, independent chartered surveyors. The market value has been determined having regard to factors such as the location and recent market transactions in the sector.

The Company holds no investment property.

16. Investments



Fixed asset investments

Investments held as fixed assets are stated at cost less amortisation and any provision for impairment in value. Investments are amortised over the expected useful economic life. Investments in associates are accounted for using the equity method. In the event the Group's share of associates losses equals or exceeds its interest in the associate the Group discontinues to recognise its share of further losses. However, if the Group has a constructive obligation to its associate the losses continue to be recognised in the profit and loss account. These losses are recognised as a provision. Please see note 23.

Group	Associates £'000	Other Investments £'000	Total £'000
Net book value			
At 1 January 2020	862	1,672	2,534
Amortisation	-	(744)	(744)
Share of retained profit for the year, net of losses to the extent of investment held	1,351	-	1,351
Dividends	(1,651)	-	(1,651)
Foreign exchange translation adjustment	(21)	-	(21)
At 31 December 2020	541	928	1,469
Company			
Cost and net book value		2020	2019
		£'000	£'000
At beginning and end of year		32,211	32,211



Notes to the financial statements (continued)

for the year ended 31 December 2020

16. Investments (continued)

Shares in Group undertakings

The subsidiary companies which principally affect the Group figures are detailed below.

Company	Country of incorporation	Principal activity	Class and effective percentage of shares held by Argent Foods Limited
Belwood Foods Limited	England and Wales	Animal by-products	Ordinary – 100%
Fairfax Meadow Europe Limited	England and Wales	Catering butcher	Ordinary – 100%
Poupart Holdings Limited	England and Wales	Holding company	Ordinary – 80%
Tendercut Meats Limited	England and Wales	Meat processing	Ordinary – 100%

Company	Country of incorporation	Principal activity	Class and effective percentage of shares held by Poupart Holdings Limited
BerryWorld Group Limited	England and Wales	Soft fruit and produce	Ordinary – 82%
OrchardWorld Limited	England and Wales	Top fruit and produce	Ordinary – 100%
Norton Folgate Marketing Limited	England and Wales	Stone fruit and produce	Ordinary – 100%
Poupart Limited	England and Wales	Fruit and produce	Ordinary – 100%

Company	Country of incorporation	Principal activity	Class and effective percentage of shares held by BerryWorld Group Limited
BerryWorld Limited	England and Wales	Soft fruit and produce	Ordinary – 100%
BerryWorld Europe B.V.	The Netherlands	Soft fruit and produce	Ordinary – 100%
BerryWorld (SA) (Pty) Limited	South Africa	Soft fruit and produce	Ordinary – 75%
Beekers Berries B.V.	The Netherlands	Soft fruit and produce	Ordinary – 100%
Beekers Made B.V.	The Netherlands	Soft fruit and produce	Ordinary – 100%

The Directors believe that the carrying value of the investments is supported by their underlying net assets and continued trade.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences to the date that control ceases.

A complete list of subsidiary undertakings can be found in note 33.



Notes to the financial statements (continued)

for the year ended 31 December 2020

17. Inventories



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

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

Group	2020 £'000	2019 £'000
Raw materials and consumables	13,236	11,376
Work in progress	1,016	928
Finished goods and goods for resale	2,436	1,759
	16,688	14,063

Inventories are stated after provisions for impairment of £941,000 (2019: £320,000)

The Company holds no inventories.

18. Debtors



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

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

See note 29 for the financial instruments policy.

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Trade debtors	47,190	61,233	24	-
Amounts owed by group undertakings	-	-	200	773
Other debtors	21,876	21,092	29	120
Deferred tax asset (note 24)	3,654	1,152	-	-
Corporation tax recoverable	1,668	1,327	771	161
Prepayments and accrued income	9,974	8,914	256	853
	84,364	93,718	1,280	1,907

Trade debtors are stated after provisions for impairment of £1,424,000 (2019: £956,000).

Amounts owed by group undertakings are unsecured with a variable interest rate set at the time of borrowing and are repayable on demand.



Notes to the financial statements (continued)

for the year ended 31 December 2020

18. Debtors (continued)

Included within the above are amounts falling due after more than one year of:

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Other debtors	10,434	13,017	-	-
Deferred tax asset	3,303	1,077	-	-
	13,737	14,094	-	-

In February 2021, proceedings were instigated in Spain against the Group's subsidiaries BerryWorld Limited and BerryWorld Europe B.V.. See note 30 for further details. A loan was made to the claimant of this litigation by the Group in 2017 for repayment in 2027. The amount outstanding as at 31 December 2020 was €7.0 million which is included in other debtors. The loan is interest free. The Group's view is that this balance is fully recoverable as the debt has not been disputed by the counterparty and is considered to be legally enforceable with a liquid counterparty. Therefore no provision has been made against it.

19. Creditors: amounts falling due within one year



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

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

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Bank loans (note 21)	1,712	3,768	751	2,435
Trade creditors	44,896	61,352	138	-
Obligations under finance leases and hire purchase contracts (note 21)	949	532	-	-
Other taxation and social security	3,282	2,491	175	265
Other creditors	8,905	7,957	2	59
Other loans (note 21)	850	578	-	-
Financial liabilities (note 29)	1,118	560	645	289
Preference shares (note 21)	2,220	2,100	-	-
Accruals and deferred income	19,442	12,644	1,683	1,561
	83,374	91,982	3,394	4,609

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.



Notes to the financial statements (continued)

for the year ended 31 December 2020

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

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Bank loans (note 21)	30,143	31,520	11,035	15,667
Obligations under finance leases and hire purchase contracts (note 21)	3,905	1,610	-	-
Other loans greater than one year (note 21)	8,574	8,674	8,574	8,674
Preference shares (note 21)	6,911	8,654	-	-
Other creditors	4,175	4,299	-	-
	53,708	54,757	19,609	24,341

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

21. Borrowings



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

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

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
In the first year or on demand:				
Bank loans and overdrafts	1,712	3,768	751	2,435
Finance leases and hire purchase contracts	949	532	-	-
Other loans	850	578	-	-
Preference shares	2,220	2,100	-	-
In more than one year but not more than five years:				
Bank loans	30,143	31,520	11,035	15,667
Finance leases and hire purchase contracts	3,905	1,610	-	-
Other loans	8,574	8,674	8,574	8,674
Preference shares	6,661	8,404	-	-
After five years:				
Preference shares	250	250	-	-
	55,264	57,436	20,360	26,776



Notes to the financial statements (continued)

for the year ended 31 December 2020

21. Borrowings (continued)

The Group had the following undrawn committed borrowing facilities available at 31 December:

	2020 £'000	2019 £'000
Expiry date:		
In more than one year and less two years	58,216	47,879
	58,216	47,879

During the year the Group agreed to extend its UK senior facilities by a further year to September 2022.

There were £4,000,000 of borrowings under the Group's £10,000,000 revolving credit facility at 31 December 2020 (2019: £7,500,000), which is utilised for the day-to-day management of cash. Any borrowings under this facility are repayable at the Group's option while retaining the flexibility to borrow again under the facility. Interest is linked to LIBOR with a margin of 3.0%.

The Group maintains certain confidential invoice discounting facilities which amounted to £55,000,000 as at 31 December 2020 (2019: £55,000,000). These facilities are dependent upon the level of trade debtors in several of the Group's subsidiaries. The amount outstanding at 31 December 2020 was £15,750,000 (2019: £15,717,000). Interest is linked to UK bank base rate with a margin of 2.0%.

The Group's £7,786,000 term loan facility was fully drawn at 31 December 2020. Interest is linked to LIBOR with a margin of 3.0%. The term loan is repayable in quarterly instalments.

BerryWorld Europe B.V. maintained a discrete invoice-discounting facility for €9,000,000 as at 31 December 2020. The amount outstanding as at 31 December 2020 was €125,000 (2019: €2,897,000). Interest is payable at 1-month Euribor with a margin of 2.25%.

During the year a €4,500,000 bank loan was issued to Beekers Holding B.V.. €2,250,000 of the loan is repayable in monthly instalments over a 60 month period, the remaining €2,250,000 is repayable after 5 years. The amount outstanding at 31 December 2020 was €4,200,000. Interest is fixed at 2.55% per annum.

BerryWorld France Limited maintained a discrete invoice-discounting facility for €2,000,000 as at 31 December 2020. The amount outstanding as at 31 December 2020 was €475,000 (2019: €161,000). Interest is payable at 3-month Euribor with a margin of 1.2%.

BerryWorld Iberia S.L. maintained a debt factoring facility for €5,000,000 as at 31 December 2020. The amount outstanding as at 31 December 2020 was €24,000 (2019: €nil). Interest is payable at 3-month Euribor with a margin of 0.7% and commission of 0.25%.

BerryWorld Group Limited has in issue 250,000 redeemable preference shares of £1 each. Preference shareholders are entitled to a fixed cumulative preferential dividend at an annual rate of 6.0% which is payable half yearly on 30 June and 31 December each year. The preference dividend accrued to 31 December 2020 was £nil (2019: £nil). On a sale, capital reconstruction or redemption of the preference shares, the holder is entitled to a percentage of the value of BerryWorld Group Limited (on a debt and cash free basis) above a certain threshold. The holders of the preference shares have the right on a winding up or otherwise to receive, in priority to ordinary shareholders, the issue price and any accrued unpaid dividends.

BerryWorld Group Limited has in issue 9,920,000 (2019: 12,400,000) redeemable preference shares of €1 each. Preference shareholders are entitled to a fixed cumulative preferential dividend at an annual rate of 3.5%. The preference dividend accrued as at 31 December 2020 is £9,512 (2019: £9,512). During the year 20% of the capital element (2,480 preference shares) were redeemed. The remaining 80% capital element is to be redeemed on a step basis with 20% in 2021 and the final 60% in 2022.



Notes to the financial statements (continued)

for the year ended 31 December 2020

21. Borrowings (continued)

Other loans includes £8,574,000 (2019: £8,674,000) of unsecured loans provided by shareholders of Argent Foods Limited.

Interest on these loans is payable at 10% per annum.

22. Financial commitments



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

a) Operating lease commitments

Group	Land and buildings	Other	Land and buildings	Other
	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Within one year	5,087	1,459	5,338	1,712
Between one and five years	16,487	1,752	16,323	1,999
After five years	25,264	-	26,374	-
	46,838	3,211	48,035	3,711

The Company has no operating lease commitments.

b) Finance lease commitments

Finance leases are payable as follows:

Group	Plant & Machinery	Plant & Machinery
	2020 £'000	2019 £'000
Within one year	1,015	562
Between one and five years	2,979	1,712
After five years	1,129	-
	5,123	2,274
Less future finance charges	(269)	(132)
	4,854	2,142

The Company has no finance lease commitments.



Notes to the financial statements (continued)

for the year ended 31 December 2020

23. Provisions for liabilities



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

Provision is not made for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Contingencies

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

Share of associate losses in excess of investment

Where the Group has a constructive obligation to its associate and its share of losses is in excess of the Group's investment a provision is created

Group	Dilapidations £'000	Deferred tax £'000	Contingent consideration £'000	Share of associate losses in excess of investment £'000	Total £'000
At the beginning of the year	822	3,027	-	1,120	4,969
Created during the year	-	250	283	2,362	2,895
Released during the year	-	(53)	-	-	(53)
Effects of foreign exchange	-	13	-	-	13
At the end of the year	822	3,237	283	3,482	7,824

Provision has been made for the requirement to make repairs on dilapidations under the terms of certain property leases.

Contingent consideration created during the year relates to a South African berry license owned by BerryWorld South Africa Local (Pty) Limited. This was recognised as it is probable the conditions of the consideration will be met.

Share of associate losses in excess of investment relate to start up losses at the Group's associate, Mastronardi BerryWorld America LLC.

Further details on deferred tax can be found in note 24.

Company	Deferred tax £'000	Total £'000
At the beginning of the year	8	8
Released in the year	(5)	(5)
At the end of the year	3	3



Notes to the financial statements (continued)

for the year ended 31 December 2020

24. Deferred tax



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

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

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

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

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

The analysis of deferred tax balances for the Group is as follows:

Deferred tax asset:

	2020 £'000	2019 £'000
Decelerated capital allowances	379	365
Other timing differences	133	132
Defined benefit pension	559	508
Tax losses	2,640	147
Effects of foreign exchange	(57)	-
Deferred tax asset	3,654	1,152
		£'000
Deferred tax asset at 1 January 2020		1,152
Deferred tax credited in the Income Statement		2,465
Deferred tax credited to the Statement of Comprehensive Income		104
Effects of foreign exchange		(57)
Deferred tax asset at 31 December 2020		3,654

Deferred tax asset relating to the pension liability included above:

	£'000
At 1 January 2020	508
Deferred tax charged in the Income Statement	(53)
Deferred tax credited to the Statement of Comprehensive Income	104
At 31 December 2020	559



Notes to the financial statements (continued)

for the year ended 31 December 2020

24. Deferred tax (continued)

The recoverability of deferred tax assets is supported by the expected level of future profits in the companies concerned. Other deferred tax assets amounting to £4.1 million (2019: £3.9 million) in respect of trading losses have not been recognised on the basis that their future economic benefit is uncertain. In accordance with FRS 102 these assets will be recognised when it is regarded as more likely than not that they will be recovered.

Deferred tax liability:

	2020 £'000	2019 £'000
Accelerated capital allowances	870	900
Other timing differences	2,355	2,127
Effects of foreign exchange	12	-
Deferred tax liability	3,237	3,027
		£'000
Deferred tax liability at 1 January 2020		3,027
Deferred tax charged in the Income Statement		93
Deferred tax charged to the Statement of Comprehensive Income		104
Effects of foreign exchange		13
Deferred tax liability at 31 December 2020		3,237

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

The Company deferred tax liability relates to accelerated capital allowances.

25. Pension liability



Defined benefit schemes

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration.

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of the plan assets at the reporting date.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other Comprehensive Income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Defined contribution schemes

Defined contribution pension costs charged to the Income Statement represent contributions payable in respect of the accounting period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.



Notes to the financial statements (continued)

for the year ended 31 December 2020

25. Pension liability (continued)

The Group operates a number of pension schemes comprising both defined contribution and defined benefit schemes. The majority of the schemes are self-administered and, in all cases, the schemes' assets are held independently of the Group's finances in separate trustee administered funds. The UK schemes provide benefits that are computed based on an employee's years of service and final pensionable salary. Pension costs are assessed in accordance with the advice of independent professionally qualified actuaries. Contributions to the defined contribution schemes during the year were £1,790,000 (2019: £1,633,000).

The principal UK scheme, the Argent Group Europe Pension Scheme, is of the defined benefit type, based on final salary. The plan also provides benefits to spouses/dependants in the event of a member's death before or after retirement. An independent actuary performs detailed triennial valuations together with periodic interim reviews. The rates of contribution payable are determined by the actuary. As part of the interim reviews, the actuary reviews the continuing appropriateness of the contribution rates. The last finalised assessment of the principal scheme was at 30 June 2019 and updated to 31 December 2020 by a qualified independent actuary. The contribution made to the scheme in the accounting period was £725,000 (2019: £799,000). The Group expects to pay contributions in the region of £1,100,000 to the plan during the next accounting period, with additional deficit contributions to be made in future years. The current employer contribution in respect of the future benefit accrual is £nil per annum (2019: £nil). The scheme ceased all future service benefit accruals with effect from 1 December 2016.

The major assumptions used by the actuary on the Argent Group Europe Pension Scheme were (in nominal terms):

	2020	2019
Discount rate at the end of the year	1.3%	1.9%
Rate of increase in salaries	n/a	n/a
Rate of future inflation – RPI (% pa)	2.9%	2.9%
Rate of future inflation – CPI (% pa)	2.1%	2.0%
Rate of increase (% pa) in future pensions in payment, split:		
Inflation (RPI) linked up to 5% pa	2.83%	2.83%
Inflation (RPI) linked up to 2.5% pa	2.02%	2.02%
Inflation linked, with a minimum of 3% pa and a max of 5% pa	3.55%	3.55%

In November 2020, it was confirmed that the calculation of RPI would be revised in 2030 to bring it in line with CPIH. This was anticipated in 2019, but reactions to this in the index-linked gilt market were muted, which has led many commentators to infer that long-term inflation risk premiums remain high.

The mortality assumptions used were:

	2020 Years	2019 Years
Members not yet retired:		
Total life expectancy at 65 of a male member (non-pensioner) currently aged 45	22.5	22.3
Total life expectancy at 65 of a female member (non-pensioner) currently aged 45	24.6	24.4
Current pensioners:		
Total life expectancy of a male member (pensioner) currently aged 65	21.4	21.3
Total life expectancy of a female member (pensioner) currently aged 65	23.4	23.2
Allowance for early retirements	nil	nil
Allowance for member to commute pension for tax-free cash	25% of pension	25% of pension



Notes to the financial statements (continued)

for the year ended 31 December 2020

25. Pension liability (continued)

The combined fair value of the assets and the present value of liabilities in the UK schemes at each Statement of Financial Position date were:

	2020 £'000	2019 £'000
Fair value of plan assets	22,574	21,573
Present value of funded obligations	(26,339)	(24,955)
Deficit in the plan	(3,765)	(3,382)

In accordance with FRS 102, the following amounts have been recognised in the Consolidated Income Statement in respect of defined benefit schemes:

	2020 £'000	2019 £'000
Charged to Income Statement:		
Past service costs and curtailments	50	-
Net interest cost on net defined benefit liability	59	115
Administrative expenses paid	226	127
Total charged to Income Statement	335	242

In accordance with FRS 102, the following amounts have been recognised in the Statement of Comprehensive Income:

	2020 £'000	2019 £'000
Remeasurement - return on plan assets excluding interest income gain	1,260	1,392
Remeasurement - effect of changes in assumptions loss	(2,067)	(1,693)
Remeasurement - effect of experience adjustments gain	34	820
Total (loss)/gain recognised in Other Comprehensive Income	(773)	519

Reconciliation of present value of scheme liabilities:

	2020 £'000	2019 £'000
Opening defined benefit obligation	24,955	24,441
Interest cost	463	670
Actuarial losses on obligation	2,033	873
Benefits paid – including insurance premiums	(1,162)	(1,029)
Past service costs and curtailments	50	-
At end of year	26,339	24,955

Reconciliation of fair value of scheme assets:

	2020 £'000	2019 £'000
At beginning of year	21,573	19,983
Expected return on plan assets	404	555
Actuarial gains on the assets	1,260	1,392
Contributions paid by the employer	725	799
Benefits paid	(1,162)	(1,029)
Administration expenses paid	(226)	(127)
At end of year	22,574	21,573



Notes to the financial statements (continued)

for the year ended 31 December 2020

25. Pension liability (continued)

The fair value of plan assets was:

	2020 £'000	2019 £'000
Diversified growth funds	15,546	14,901
LDI	5,993	4,358
Cash	228	1,504
Annuities	807	810
Total fair value of plan assets	22,574	21,573

26. Called up share capital

Allotted and fully paid

	2020 £	2019 £
1,006,126 (2019: 1,006,126) Ordinary shares of £1 each	1,006,126	1,006,126
25,819 (2019: 25,819) B-shares of £0.01 each	258	258
	1,006,384	1,006,384

27. Net cash from operating activities

Reconciliation of profit for the year to net cash from operating activities:

	2020 £'000	2019 £'000
Loss for the financial year	(8,614)	(5,306)
Tax on loss	(979)	1,320
Net interest expense	2,965	2,789
Share of associates' operating loss	773	1,297
Operating (loss)/profit	(5,855)	100
Loss on sale of fixed assets	82	3,026
Loss on disposal of investments	-	20
Profit on disposal of subsidiary	-	(107)
Depreciation, amortisation and impairment charges	8,787	10,394
Fair value gain on revaluation of investment properties	-	(1,400)
(Increase)/decrease in inventories	(2,505)	6,233
Decrease/(increase) in debtors	13,027	(1,752)
(Decrease)/Increase in creditors	(6,785)	4,009
Difference between pension contributions paid and amount recognised in Income Statement	(449)	(1,053)
Losses on held for trading financial assets	558	1,007
Currency translation differences	(815)	274
Net cash from operating activities	6,045	20,751



Notes to the financial statements (continued)

for the year ended 31 December 2020

28. Analysis of net debt

	At 1 January 2020 £'000	Cash flow £'000	Non-cash changes £'000	At 31 December 2020 £'000
Cash in hand and at bank	15,088	(5,334)	(123)	9,631
Bank and other loans within one year	(4,346)	1,852	(68)	(2,562)
Bank and other loans after one year	(40,194)	1,534	(57)	(38,717)
Preference shares	(10,754)	2,206	(583)	(9,131)
Finance leases	(2,142)	(2,631)	(81)	(4,854)
	(57,436)	2,961	(789)	(55,264)
Net debt	(42,348)	(2,373)	(912)	(45,633)

Net debt as reported includes subordinated shareholder loans of £8,574,000 (2019: £8,674,000) and preference shares.

Non-cash movements represent foreign exchange translation adjustments and new finance leases raised.

29. Financial instruments



Financial liabilities and equity

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

Financial instruments

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

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

The Group has the following financial instruments:

	2020 £'000	2019 £'000
Financial assets measured at amortised cost		
Trade debtors	47,190	61,233
Other debtors	21,878	21,092
	69,068	82,325
Financial liabilities at fair value through Income Statement		
Derivative financial instruments	1,118	560
	1,118	560



Notes to the financial statements (continued)

for the year ended 31 December 2020

29. Financial instruments (continued)

	2020 £'000	2019 £'000
Financial liabilities measured at amortised cost		
Bank loans and overdrafts	31,855	35,288
Trade creditors	44,896	61,352
Obligations under finance leases and hire purchase contracts	4,854	2,142
Other creditors	13,080	12,256
Other loans	9,424	9,252
	104,109	120,290

Derivative financial instruments

The Group enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency receivables. At 31 December 2020, the outstanding contracts all mature within three months of the year end.

At 31 December 2020, the Group had interest rate swaps in place to fix the interest rate on £31,500,000 of debt (2019: £35,100,000).

30. Assets pledged, commitments and contingencies

In February 2021, proceedings were instigated in Spain against the Group's subsidiaries BerryWorld Limited and BerryWorld Europe B.V.. The claimant alleges a breach of a collaboration agreement between the parties. The Directors believe that the claim is without merit and it will be vigorously defended. We believe that the claimant itself has acted in repeated fundamental breach of the relevant collaboration agreement. BerryWorld Limited and BerryWorld Europe B.V. have subsequently filed their defence and counter-claim.

Due to the stage of the proceedings, it is currently impractical to determine the potential financial effect, if any, of the ongoing litigation.

Excluding the above, the Group is from time to time party to legal proceedings and claims that arise in the ordinary course of business and are not considered material in the context of these financial statements.

The Company and some of its subsidiaries are participants in a group arrangement under which all assets and surplus cash balances are held as collateral for bank facilities advanced to Group members. The maximum amount covered by these arrangements at 31 December 2020 was £19.0 million (2019: £19.0 million). The facilities are secured under a debenture dated 22 September 2017 over all assets of certain members of the Group. The Group has given certain banking guarantees in its normal course of business, amounting to £340,000 (2019: £340,000).

31. Related party transactions

31.1 Subsidiaries

All transactions between wholly owned subsidiaries of the Argent Foods Group have been eliminated upon consolidation and, therefore, do not need to be disclosed separately.

31.2 Key management personnel

Only members of the Board are considered to be key management personnel. It is the Board who have responsibility for planning, directing and controlling the activities of the Group. The total remuneration of the directors who are considered to be the key management personnel of the Group is disclosed in note 7.



Notes to the financial statements (continued)

for the year ended 31 December 2020

31. Related party transactions (continued)

31.3 Other transactions

Material transactions and year end balances with related parties were as follows:

	2020 £'000	2019 £'000
Transactions with/between subsidiaries not wholly owned		
Sales on normal trading terms	40,652	42,894
Amounts owed by companies	13,018	14,176
Interest receivable from companies	323	348
Preference shares	13,025	13,025
Interest on preference shares	912	912
Transactions with the Parent Company		
Management charge paid to Fletcher Bay Group Limited on normal trading	499	611
Unsecured loans from Fletcher Bay Group Limited	5,030	5,000
Interest payable on loans from Fletcher Bay Group Limited	504	507
Transactions with key management personnel		
Unsecured loans from key management personnel	1,558	1,558
Interest payable on loans from key management personnel	156	156
Unsecured loans from companies with common key management personnel	40	-
Interest payable on loans from companies with common key management	16	-
Annual rental charge to group companies by pension funds of key management personnel	161	161
Annual rental charge to group companies by companies with common key management personnel	694	-
Sales to companies with common key management personnel	2	-
Purchases from companies with common key management personnel	129	67
Amounts owed to companies with common key management personnel	4	-
Transactions with associates		
Sales to associates on normal trading terms	1,640	273
Purchases from associates on normal trading terms	3,867	3,696
Amounts owed to associates	904	65
Amounts owed by associates	3,996	2,175
Interest receivable on amounts owed by associates	12	3
Dividends received from associates	1,651	462

32. Ultimate and immediate parent undertaking

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

The Company's immediate parent undertaking is Fletcher Bay Group Limited which owns 63% of the ordinary share capital of Argent Foods Limited. Fletcher Bay Group Limited is incorporated in England and Wales.

The only group into which the results of the Company are consolidated is the Fletcher Bay Group Limited group. Copies of those consolidated financial statements may be obtained from the registered office, Level 5, 9 Hatton Street, London, NW8 8PL.



Notes to the financial statements (continued)

for the year ended 31 December 2020

33. Subsidiaries, associates and related undertakings

A list of the Group's subsidiary undertakings is set out below.

Company name and registered address	Country of incorporation	Principal activity	Effective percentage of ordinary shares held by Argent Foods Limited
Argent Barry Investments Limited (formally known as Fletcher Bay Investment Company Limited) ¹	England and Wales	Dormant	100%
Argent By-Products Group Limited ¹	England and Wales	Dormant	100%
Argent Europe Limited ¹	England and Wales	Dormant	100%
Argent Foods Group Limited ¹	England and Wales	Dormant	100%
Argent Group Europe Limited ¹	England and Wales	Holding company	100%
Argent Group New Zealand Limited ³	New Zealand	Holding company	100%
Argent Holdings Limited ¹	England and Wales	Holding company	100%
Argent Meat Traders Limited ¹	England and Wales	Meat commodities	100%
Atlantic Blue Blueberries Limited ¹	England and Wales	Dormant	100%
Barker & Hird Limited ¹	England and Wales	Dormant	100%
Barker & Hird (PP) Limited ¹	England and Wales	Property management	100%
Barker & Hird (WF) Limited ²	England and Wales	Maintaining a mine shaft	100%
Belwood Foods Limited ¹	England and Wales	Animal by-products	100%
Cool Space Nottingham Limited ¹	England and Wales	Management of a cold storage facility	100%
David A. Holding (Catering Butchers) Limited ¹	England and Wales	Dormant	100%
Fairfax London Limited ¹	England and Wales	Dormant	100%
Fairfax Meadow Limited ¹	England and Wales	Property management	100%
Fairfax Meadow Europe Limited ¹	England and Wales	Catering butcher	100%
Fairfax Meadow Group Limited ¹	England and Wales	Dormant	100%
King & Prince Seafood (Europe) Limited ¹	England and Wales	Dormant	100%
New Zealand Light Leathers Limited ³	New Zealand	Leather tanning	100%
Peter Fairfax Limited ¹	England and Wales	Dormant	100%
Poupart Holdings Limited ¹	England and Wales	Activities of a head office	80%
Strong & Fisher Pensions and Retirement Scheme Trustees Limited ¹	England and Wales	Pension scheme trustee	100%
Tendercut Meats Limited ¹	England and Wales	Meat processing	100%
Tendercut Properties Limited ¹	England and Wales	Dormant	100%
The Orchard Fruit Company Limited ¹	England and Wales	Marketing fresh produce	100%
Traiteur Properties (KT) Limited ¹	England and Wales	Property management	100%

¹ Level 5, 9 Hatton Street, London, UK, NW8 8PL

² 4th Floor, 115 George Street, Edinburgh, EH1 4JN

³ Meadows Road, Washdyke, Timaru 7973, New Zealand



Notes to the financial statements (continued)

for the year ended 31 December 2020

33. Subsidiaries, associates and related undertakings (continued)

Company name and registered address	Country of incorporation	Principal activity	Effective percentage of ordinary shares held by Poupart Holdings Limited
BerryWorld Group Limited ¹	England and Wales	Soft fruit and produce	82%
Broad Stripe Butchers Limited ¹	England and Wales	Activities of head office	100%
Citrus First S.L. ²	Spain	Citrus fruit and produce	50%
Citrus First (UK) Limited ¹	England and Wales	Citrus fruit and produce	50%
Norton Folgate Holdings Limited ¹	England and Wales	Holding company	100%
Norton Folgate Marketing Limited ¹	England and Wales	Stone fruit and produce	100%
OrchardWorld Limited ¹	England and Wales	Top fruit and produce	100%
OrchardWorld Holdings Limited ¹	England and Wales	Holding company	100%
Poupart Figueras S.L. ³	Spain	Fruit sourcing for UK	100%
Poupart Limited ¹	England and Wales	Fruit and produce	100%
Poupart Produce Limited ¹	England and Wales	Activities of head office	100%

¹ Level 5, 9 Hatton Street, London, NW8 8PL

² Vicente Giner SA, Carretera de Fuente Encarróz, S/N, 46722 Beniflá (Valencia), España

³ Placa de la Palmera, Num 8, Planta 3, 17600 Figueras, Girona, España



Notes to the financial statements (continued)

for the year ended 31 December 2020

33. Subsidiaries, associates and related undertakings (continued)

Company name and registered address	Country of incorporation	Principal activity	Effective percentage of ordinary shares held by BerryWorld Group Limited
Beekers Berries B.V. ¹	Netherlands	Soft fruit and produce	100%
Beekers Holding B.V. ¹	Netherlands	Holding company	100%
Beekers Made B.V. ¹	Netherlands	Soft fruit and produce	100%
Beekers Energy B.V. ¹	Netherlands	Energy production	100%
BerryWay SRL ²	Italy	Soft fruit and produce	25%
BerryWorld (SA) (Pty) Limited ³	South Africa	Soft fruit and produce	75%
BerryWorld Local (Pty) Limited ⁴	South Africa	Soft fruit and produce	75%
BerryWorld Australia Pty Limited ⁵	Australia	Soft fruit and produce	51%
BerryWorld Canada Limited ⁶	Canada	Soft fruit and produce	100%
BerryWorld Chile SpA ⁷	Chile	Soft fruit and produce	100%
BerryWorld Europe B.V. ¹	Netherlands	Soft fruit and produce	100%
BerryWorld France ⁸	France	Soft fruit and produce	100%
BerryWorld Iberia S.L. ⁹	Spain	Soft fruit and produce	100%
BerryWorld Limited ¹⁰	England and Wales	Soft fruit and produce	100%
BerryWorld North America LLC ¹¹	USA	Soft fruit and produce	100%
BerryWorld Plus Limited ¹⁰	England and Wales	Soft fruit and produce	40%
BerryWorld USA Inc. ¹²	USA	Soft fruit and produce	100%
Cape Variety Group (Pty) Limited ¹³	South Africa	Soft fruit and produce	15%
Eurafruit Variety Group (Pty) Limited ¹³	South Africa	Soft fruit and produce	19%
Mastronardi BerryWorld America LLC ¹¹	USA	Soft fruit and produce	40%
Mastronardi BerryWorld Varieties LLC ¹¹	USA	Soft fruit and produce	40%

¹ Schanseind 16, 4921 PM, The Netherlands, Made

² Saluzzo (CN), Via Beate Ancina 8, CAP12037, Italia

³ PG Junction 4, Planken Road, 7600 Stellenbosch – Papegaaiberg, Western Cape - South Africa

⁴ Phase 1C, Second Floor, Office 1, The Woodmill, Vredenburg Road, Stellenbosch – Western Cape – South Africa

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

⁶ 1300-1969 Upper Water Street, Purdy's Warf Tower II, Halifax, Nova Scotia. B3J3R7, Canada

⁷ Miraflores 222, 28th floor, Santiago, Chile

⁸ 4 rue Jack London, 44400 Rezé, France

⁹ Avd. La Dehesa del Plomo, 1. Polígono Empresarial La Gravera, 21440 Lepe, Huelva, España

¹⁰ Level 5, 9 Hatton Street, London NW8 8PL

¹¹ 251 Little Falls Drive, Wilmington, Delaware, 19808, USA

¹² 19200 Von Karman Avenue, Suite 900, Irvine, California, 92612, USA

¹³ De Waterkant Building, Stellenbosch 7600, South Africa



Notes to the financial statements (continued)

for the year ended 31 December 2020

34. Post balance sheet events

On the 8 January the Group sold its subsidiary, Beekers Energy B.V. to a related party at net book value.

In February 2021, proceedings were instigated in Spain against the Group's subsidiaries BerryWorld Limited and BerryWorld Europe B.V.. The claimant alleges a breach of a collaboration agreement between the parties. The Directors believe that the claim is without merit and it will be vigorously defended. We believe that the claimant itself has acted in repeated fundamental breach of the relevant collaboration agreement. BerryWorld Limited and BerryWorld Europe B.V. have subsequently filed their defence and counter-claim.

On 12 April 2021 the Group reached an agreement to exit a glasshouse growing operation, GEF, within the Group's joint venture, Mastronardi BerryWorld North America. GEF losses are excluded from the reported results from 1 September 2020.