

Company Registration No. 05826545

NOBLE FOODS GROUP LIMITED

Consolidated Annual Report and Financial Statements

53 week period ended 2 October 2020



NOBLE FOODS GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

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NOBLE FOODS GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D Everett
J Patey

REGISTERED OFFICE

Cotswold Farm
Standlake
Witney
Oxfordshire
OX29 7RB

AUDITOR

Deloitte LLP
Statutory Auditor
Birmingham
United Kingdom

NOBLE FOODS GROUP LIMITED

STRATEGIC REPORT

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is to act as a holding company. The core activities of the Group are the production and sale of shell eggs, predominantly in the UK.

REVIEW OF THE BUSINESS

The directors are pleased with the results for the year. The after tax loss of £7.0m (2019: profit of £4.1m), stated after losses on revaluation of fixed assets of £9.0m (2019: £nil), on turnover of £312.4m (2019: £330.7m) are as expected. The Group has net assets of £39.4m (2019: £45.8m).

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

During the prior year the Group disposed of its interest in its US subsidiary (see note 12).

The wider Group has committed banking facilities in place until 2024 (see note 17).

KEY PERFORMANCE INDICATOR (KPI)

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

SECTION 172(1) STATEMENT

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

Stakeholder engagement

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

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

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

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

NOBLE FOODS GROUP LIMITED

STRATEGIC REPORT

SECTION 172(1) STATEMENT (CONTINUED)

Principal decisions

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

STREAMLINED ENERGY AND CARBON REPORTING

This streamlined energy and carbon report presents the Group's footprint within the United Kingdom for the financial year.

	2020
Electricity purchased for own use, including for purposes of transportation (tCO ₂ e)	300
Total greenhouse gas emissions (tCO ₂ e)	13,309
Energy consumption – all sources (kWh)	62,769,449
Intensity ratio (kgCO ₂ e/sales revenue £Mn)	0.043

tCO₂e = tonnes of carbon dioxide equivalent kWh= Kilowatt hours

Methodology

The Group has followed the 2019 UK Government environmental reporting guidance. Greenhouse gas emissions have been calculated using an operational control approach to define the greenhouse gas boundary.

Energy consumption represents the aggregate of energy consumed from activities for which the Group is responsible including gas consumption or fuel consumption for transport purposes and energy consumed resulting from purchasing electricity for own use.

Energy Efficiency Actions

From October 2019 the Group has invested in a zero-carbon electricity tariff, which has significantly reduced the carbon footprint of electricity purchased. The Group has undertaken a modernisation of the HGV fleet that they use during the year, resulting in greater fuel efficiency. The Group also has plans to roll out energy awareness training across the business during 2021.

NOBLE FOODS GROUP LIMITED

STRATEGIC REPORT

FUTURE DEVELOPMENTS

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

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

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

Approved by the Board and signed on its behalf by:



J Patey
Director

Date 27 January 2021.

NOBLE FOODS GROUP LIMITED

DIRECTORS' REPORT

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

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

A review of the Group and future developments are included in the strategic report on page 2.

DIVIDENDS

Dividends paid during the year are disclosed in note 21 to the financial statements. No dividends were proposed at the year end (2019: £nil).

GOING CONCERN

As disclosed on page 19 of the financial statements, the directors consider the Group to be a going concern.

DIRECTORS

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

D Everett (appointed 15/09/2020)

D Burnett (resigned 15/09/2020)

T Morris (resigned 31/05/2020)

J Patey

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Cash flow risk

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

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

The Group has entered into a cash settled swap arrangement in order to manage its exposure to changes in fuel prices.

Credit risk

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

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

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

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

Liquidity risk

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

NOBLE FOODS GROUP LIMITED

DIRECTORS' REPORT (continued)

DISABLED EMPLOYEES

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

EMPLOYEE CONSULTATION

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

AUDITOR

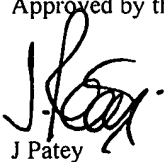
Each of the persons who is a director at the date of approval of this report confirms that:

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

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

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

Approved by the Board and signed on its behalf by:



J Patey
Director

Date: 27 January 2021

NOBLE FOODS GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

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

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

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Noble Foods Group Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 2 October 2020 and of the Group's profit for the 53 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of changes in equity;
- the consolidated and parent company balance sheets;
- the consolidated and parent company cash flow statements; and
- the related notes 1 to 26.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

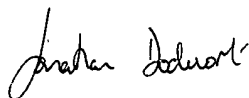
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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



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

27 January 2021

NOBLE FOODS GROUP LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Note	53 weeks ended 2 October 2020			52 weeks ended 27 September 2019		
		Continuing £'000	Discontinued £'000	Total £'000	Continuing £'000	Discontinued £'000	Total £'000
Turnover	3	312,448	-	312,448	314,223	16,482	330,705
Cost of Sales		(273,577)	-	(273,577)	(277,933)	(11,670)	(289,603)
Gross Profit		38,871	-	38,871	36,290	4,812	41,102
Distribution costs		(18,437)	-	(18,437)	(17,278)	(966)	(18,244)
Administrative expenses (including revaluation of freehold land and buildings)		(23,168)	-	(23,168)	(10,089)	(3,903)	(13,992)
Operating profit before revaluation of freehold land and buildings		6,249	-	6,249	8,923	(57)	8,866
Revaluation of freehold land and buildings		(8,983)	-	(8,983)	-	-	-
Operating (loss)/profit after revaluation of freehold land and buildings		(2,734)	-	(2,734)	8,923	(57)	8,866
OPERATING (LOSS)/PROFIT	4	(2,734)	-	(2,734)	8,923	(57)	8,866
Loss on disposal of subsidiary	12	-	-	-	-	(79)	(79)
Interest receivable and similar income	6	3,211	-	3,211	3,723	-	3,723
Interest payable and similar charges	6	(6,950)	-	(6,950)	(7,286)	-	(7,286)
(LOSS)/PROFIT BEFORE TAXATION		(6,473)	-	(6,473)	5,360	(136)	5,224
Taxation of profit	7	(569)	-	(569)	(1,104)	(47)	(1,151)
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD		(7,042)	-	(7,042)	4,256	(183)	4,073

NOBLE FOODS GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	53 weeks 2020 £'000	52 weeks 2019 £'000
(Loss)/profit for the financial period		(7,042)	4,073
Actuarial gain/(loss) net of deferred tax relating to pension scheme	24	883	(208)
Foreign exchange movements		(66)	(87)
Gain on revaluation of tangible fixed assets net of deferred tax		2,766	239
Other comprehensive income/(expense)		3,583	(56)
Total comprehensive (expense)/income for the period		(3,459)	4,017

NOBLE FOODS GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Called up Share capital £'000	Other reserves £'000	Reval- uation reserve £'000	Profit and loss account £'000	Total £'000
At 28 September 2018	112	39,742	3,280	(320)	42,814
Profit for the financial period	-	-	-	4,073	4,073
Actuarial loss net of deferred tax relating to pension scheme	-	-	-	(208)	(208)
Foreign exchange movements	-	-	-	(87)	(87)
Gains on revaluation of tangible fixed assets net of deferred tax	-	-	239	-	239
Additional depreciation on revalued cost of assets	-	-	(62)	62	-
Total comprehensive income	-	-	177	3,840	4,017
Dividends paid (note 21)	-	-	-	(1,000)	(1,000)
At 27 September 2019	112	39,742	3,457	2,520	45,831
Loss for the financial period	-	-	-	(7,042)	(7,042)
Actuarial gain on deferred tax relating to pension scheme	-	-	-	883	883
Foreign exchange movements	-	-	-	(66)	(66)
Gain on revaluation of tangible assets net of deferred tax	-	-	2,766	-	2,766
Additional depreciation on revalued cost of assets	-	-	(272)	272	-
Total comprehensive income/(expense)	-	-	2,494	(5,953)	(3,459)
Dividends paid (note 21)	-	-	-	(3,000)	(3,000)
At 2 October 2020	112	39,742	5,951	(6,433)	39,372

NOBLE FOODS GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

	Called up share capital £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
At 28 September 2018	112	12,903	(720)	12,295
Profit for the financial period	-	-	3,526	3,526
Dividends (note 21)	-	-	(1,000)	(1,000)
At 27 September 2019	112	12,903	1,806	14,821
Profit for the financial period	-	-	3,657	3,657
Dividends (note 21)	-	-	(3,000)	(3,000)
At 2 October 2020	112	12,903	2,463	15,478

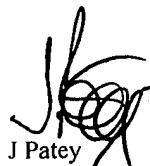
NOBLE FOODS GROUP LIMITED

CONSOLIDATED BALANCE SHEET

	Note	2 October 2020 £'000	27 September 2019 £'000
FIXED ASSETS			
Goodwill	9	398	500
Other intangible assets	9	836	970
Tangible assets	10	69,630	74,251
Pension surplus	24	4,646	3,411
		<u>75,510</u>	<u>79,132</u>
CURRENT ASSETS			
Stocks	13	11,737	10,896
Debtors due within one year	14	102,942	129,537
Cash at bank and in hand		8,062	7,853
		<u>122,741</u>	<u>148,286</u>
CREDITORS: amounts falling due within one year	15	<u>(154,343)</u>	<u>(176,689)</u>
NET CURRENT LIABILITIES		<u>(31,602)</u>	<u>(28,403)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		43,908	50,729
CREDITORS: amounts falling due after more than one year	16	-	(950)
Provisions for liabilities	18	<u>(4,536)</u>	<u>(3,948)</u>
NET ASSETS		<u>39,372</u>	<u>45,831</u>
CAPITAL AND RESERVES			
Called up share capital	20	112	112
Capital redemption reserve		12,903	12,903
Merger reserve		26,839	26,839
Revaluation reserve		5,951	3,457
Profit and loss account		<u>(6,433)</u>	<u>2,520</u>
SHAREHOLDERS' FUNDS		<u>39,372</u>	<u>45,831</u>

The financial statements of Noble Foods Group Limited registered number 05826545 were approved by the Board of Directors and authorised for issue on **27 January 2021**.

Signed on behalf of the Board of Directors


J Patey
Director

NOBLE FOODS GROUP LIMITED

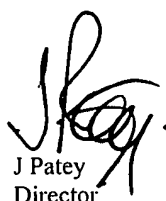
COMPANY BALANCE SHEET

	Note	2 October 2020 £'000	27 September 2019 £'000
FIXED ASSETS			
Investments	11	38,815	38,815
		<u>38,815</u>	<u>38,815</u>
CURRENT ASSETS			
Debtors	14	20,505	27,968
CREDITORS: amounts falling due within one year	15	(43,842)	(51,962)
NET CURRENT LIABILITIES		<u>(23,337)</u>	<u>(23,994)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		15,478	14,821
NET ASSETS		<u>15,478</u>	<u>14,821</u>
CAPITAL AND RESERVES			
Called up share capital	20	112	112
Capital redemption reserve		12,903	12,903
Profit and loss account		2,463	1,806
SHAREHOLDERS' FUNDS		<u>15,478</u>	<u>14,821</u>

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's profit after tax for the period amounted to £3,657k (2019: £3,526k profit).

These financial statements of Noble Foods Group Limited registered number 05826545 were approved by the Board of Directors and authorised for issue on *27 January 2021*.

Signed on behalf of the Board of Directors


J Patey
Director

NOBLE FOODS GROUP LIMITED

CONSOLIDATED CASH FLOW STATEMENT

	Note	53 weeks 2020 £'000	52 weeks 2019 £'000
Net cash inflow from operating activities	25	14,112	10,150
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(10,520)	(12,128)
Receipts from sale of tangible fixed assets		1,254	819
Disposal of subsidiary undertaking		-	(1,800)
Net cash used in investing activities		<u>(9,266)</u>	<u>(13,109)</u>
Cash flows from financing activities			
Interest paid		(429)	(2,503)
Dividends paid		(3,000)	(1,000)
Repayment of borrowings		(1,208)	(1,641)
Proceeds from borrowings		-	12,785
Net cash flows (used in)/from financing activities		<u>(4,637)</u>	<u>7,641</u>
Net increase in cash		209	4,682
Cash at beginning of period		<u>7,853</u>	<u>3,171</u>
Cash at end of period		<u><u>8,062</u></u>	<u><u>7,853</u></u>

There were no cash equivalents at either period end.

NOBLE FOODS GROUP LIMITED

COMPANY CASH FLOW STATEMENT

	53 weeks 2020 £'000	52 weeks 2019 £'000
Cash flows from operating activities		
Operating loss	(8)	(8)
Net cash used in operating activities	<u>(8)</u>	<u>(8)</u>
Cash flows from investing activities		
Dividends received	5,000	5,000
Net cash flows from investing activities	<u>5,000</u>	<u>5,000</u>
Cash flows from financing activities		
Dividends paid	(3,000)	(1,000)
Decrease in amounts due from fellow group undertakings	8,233	1,279
Decrease in amounts due to fellow group undertakings	(10,225)	(5,271)
Net cash used in financing activities	<u>(4,992)</u>	<u>(4,992)</u>
Net increase in cash	-	-
Cash at beginning of period	-	-
Cash at end of period	<u>-</u>	<u>-</u>

There were no cash equivalents at either period end.

NOBLE FOODS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

53 week period ended 2 October 2020

1. ACCOUNTING POLICIES

Noble Foods Group Limited is a company incorporated in the United Kingdom under the Companies Act. The Company is a private company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The financial year represents the 53 weeks ending 2 October 2020 (prior financial year 52 weeks ended 27 September 2019). The Company has taken advantage of s390 of the Companies Act 2006 to prepare accounts for a financial period ended 2 October 2020, being within seven days of the accounting reference date.

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

Accounting convention

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

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

The following dormant subsidiaries of the Company have taken advantage of the Companies Act 2006 s394A exemption from preparing individual accounts:

Deans Foods Limited (02598384)

Noble Egg Limited (05964081)

Goldenlay Foods Limited (03454551)

Noble CKH Limited (03228867)

Noble Foods International Limited (09693022)

Going concern

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

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

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

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

NOBLE FOODS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

53 week period ended 2 October 2020

1. ACCOUNTING POLICIES (Continued)

Going concern (continued)

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

Basis of consolidation

The group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to the balance sheet date each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Business combinations are accounted for under the acquisition method. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Investments

Investments are stated at cost less provision for impairment.

Intangible fixed assets

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

Goodwill

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

Tangible fixed assets

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

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

The rates of depreciation are as follows:

Freehold buildings	2-10% per annum
Plant and machinery, fixtures and fittings	5-25% per annum

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

NOBLE FOODS GROUP LIMITED

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

1. ACCOUNTING POLICIES (Continued)

Financial instruments

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

Financial assets and liabilities

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

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

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

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

Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to fuel price movements. The Group does not hold or issue derivative financial instruments for speculative purposes.

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

Equity instruments

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

Stocks

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

Impairment of assets

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

Provisions

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

Leases and hire purchase contracts

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

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

1. ACCOUNTING POLICIES (Continued)

Taxation

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

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

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

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

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

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

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

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

Employee benefits

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

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

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

Bank borrowings

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

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

1. ACCOUNTING POLICIES (Continued)

Foreign currency

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

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

Turnover

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

2. CRITICAL ESTIMATES AND JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Taxation

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

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

Carrying value of land and buildings

Land and buildings are carried at fair value. The directors have valued land and buildings as at the balance sheet date based on an independent valuation carried out by a professional firm of chartered surveyors on an open market basis (see note 10). Such valuations require estimates to be made based on current market conditions, and any changes to such conditions will impact the carrying value of land and buildings. Management review the carrying value of land and buildings at each balance sheet date to ensure it continues to materially represent fair value.

Carrying value of goodwill and intangible assets

The carrying value of goodwill and intangible assets is supported by the income streams that they give rise to. Management review goodwill and intangible assets on a regular basis, and if considered necessary carry out an impairment review.

Defined benefit pensions

The carrying value of defined benefit pension assets and liabilities depend upon a number of factors that are determined on an actuarial basis using a number of assumptions (see note 24), including the discount rate. Other key assumptions are based in part on current market conditions. Any changes in these assumptions will impact the carrying value of the pension asset or liability.

NOBLE FOODS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

53 week period ended 2 October 2020

3. TURNOVER

Turnover solely represents amounts derived from the provision of goods which fall within the Group's ordinary activities after deduction of trade discounts and value added tax. Over 90% of the Group's turnover arises in the United Kingdom and is attributable to the Group's principal activity. The directors are of the opinion that it would be seriously prejudicial to the interests of the Group if segmental information were disclosed.

4. OPERATING PROFIT

Operating profit is arrived at after charging:	2020 £'000	2019 £'000
Depreciation		
- owned assets	5,434	4,855
(Profit)/loss on disposal of fixed assets	(530)	465
Revaluation of freehold land and buildings	8,983	-
Amortisation of intangible fixed assets and goodwill	236	632
Impairment of intangible assets	-	335
Auditor's remuneration		
- fees payable to the company's auditor for the audit of the company's accounts	15	15
Other services pursuant to legislation		
- the audit of the company's subsidiaries	127	122
- tax and other services provided by auditor	131	488
Rentals under operating leases		
- hire of plant and machinery	459	488
- other operating leases	485	481

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

NOBLE FOODS GROUP LIMITED

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

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Group	2020 £'000	2019 £'000
Directors' emoluments		
Emoluments	3,558	1,092
	<u>3,558</u>	<u>1,092</u>

The remuneration of the highest paid director during the period was £2,754k (2019: £815k) of which £nil (2019: £nil) were accrued benefits in connection with incentives linked to long term business performance. Contributions due to pension schemes in the period in respect of the highest paid director were £nil (2019: £nil).

	2020 Number	2019 Number
Average number of persons employed (including directors)		
Production	696	663
Sales and distribution	31	37
Administration	42	40
	<u>769</u>	<u>740</u>

	2020 £'000	2019 £'000
Staff costs during the period (including directors' remuneration)		
Wages and salaries	22,023	22,324
Social security costs	2,082	2,086
Pension costs	526	463
	<u>24,631</u>	<u>24,873</u>

Company

Other than the directors, the company has no (2019: nil) employees.

The directors of the company are remunerated through Noble Foods Limited. The directors received no remuneration for their services to the company and it is not practical to split the costs of services between those provided to Noble Foods Group Limited and those provided to other companies within the group.

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

NOBLE FOODS GROUP LIMITED

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

6. INTEREST

	2020 £'000	2019 £'000
a) Interest receivable and similar income		
Group interest bearing loans	3,150	3,620
Net return on pension scheme	61	100
Other interest receivable	-	3
	<u>3,211</u>	<u>3,723</u>
b) Interest payable and similar charges		
Bank loan and invoice financing interest	849	2,503
Group interest bearing loans	6,101	4,783
	<u>6,950</u>	<u>7,286</u>

7. TAX CHARGE ON (LOSS)/PROFIT

a) Analysis of charge in the period	2020 £'000	2019 £'000
Current tax		
United Kingdom corporation tax (credit)/charge for the period	(143)	813
Adjustment in respect of previous periods	252	197
Total current tax	<u>109</u>	<u>1,010</u>
Deferred tax		
Origination and reversal of timing differences	78	227
Adjustment in respect of previous periods	292	(86)
Change in rate	90	-
Total deferred tax	<u>460</u>	<u>141</u>
Tax on (loss)/profit	<u>569</u>	<u>1,151</u>

NOBLE FOODS GROUP LIMITED

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

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

b) Factors affecting the corporation tax charge/(credit) for the period

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

	2020 £'000	2019 £'000
(Loss)/profit before tax	(6,473)	5,224
Tax on (loss)/profit at standard rate of 19% (2019: 19%)	(1,229)	993
Effects of:		
Expenses not deductible for tax purposes	478	664
Revaluation of tangible fixed assets	1,706	-
Group relief not paid for	(1,020)	(633)
Adjustment in respect of prior periods	544	111
Change in deferred tax rate	90	-
Differences in overseas rate	-	16
Total tax charge for the period (note 7a)	569	1,151

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

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

c) Change in tax rates

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

8. RESULT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent Company is not presented as part of these accounts. The parent company's profit after tax for the financial period amounted to £3,657k (2019: Profit £3,526k).

NOBLE FOODS GROUP LIMITED

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

9. INTANGIBLE FIXED ASSETS

Group	Goodwill £'000	Other intangible assets £'000	Total £'000
Cost			
At 28 September 2019	1,067	15,644	16,711
Additions	-	-	-
At 2 October 2020	1,067	15,644	16,711
Amortisation			
At 28 September 2019	567	14,674	15,241
Charge for the period	102	134	236
At 2 October 2020	669	14,808	15,477
Net book value			
At 2 October 2020	398	836	1,234
At 27 September 2019	500	970	1,470

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

The Company has no intangible fixed assets.

10. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £'000	Plant, machinery, fixtures and fittings £'000	Total £'000
Cost or valuation			
At 28 September 2019	47,195	47,815	95,010
Additions	3,796	4,204	8,000
Disposals	-	(4,083)	(4,083)
Reclassifications	2,323	(2,323)	-
Foreign exchange	-	(76)	(76)
Revaluations	(10,197)	-	(10,197)
At 2 October 2020	43,117	45,537	88,654

NOBLE FOODS GROUP LIMITED

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

10. TANGIBLE FIXED ASSETS (Continued)

Group	Freehold Land and buildings £'000	Plant, machinery, fixtures and fittings £'000	Total £'000
Accumulated depreciation			
At 28 September 2019	2,877	17,882	20,759
Charge for the period	933	4,501	5,434
Disposals	-	(3,359)	(3,359)
Revaluations	(3,810)	-	(3,810)
At 2 October 2020	-	19,024	19,024
Net book value			
At 2 October 2020	43,117	26,513	69,630
At 27 September 2019	44,318	29,933	74,251

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

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

Tangible fixed assets with a carrying value of £nil (2019: £941k) have been pledged to secure borrowings of the Group.

Comparable amounts determined according to the historical cost convention:-

	Freehold Land and buildings £'000	Plant, machinery, fixtures and fittings £'000	Total £'000
2020			
Cost	55,637	45,537	101,174
Accumulated depreciation	(13,631)	(19,024)	(32,655)
Net book value 2 October 2020	42,006	26,513	68,519
2019			
Cost	49,415	47,815	97,230
Accumulated depreciation	(12,591)	(17,882)	(30,473)
Net book value 27 September 2019	36,824	29,933	66,757

NOBLE FOODS GROUP LIMITED

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

10. TANGIBLE FIXED ASSETS (Continued)

Company	Plant, machinery, fixtures and fittings £'000
Cost or valuation	
At 28 September 2019 and 2 October 2020	29
Accumulated depreciation	
At 28 September 2019 and 2 October 2020	29
Net book value	
At 27 September 2019 and 2 October 2020	-

11. INVESTMENTS

Company	Shares in subsidiary undertakings £'000
Cost	
At 28 September 2019 and 2 October 2020	38,815
Provisions for impairment	
At 28 September 2019 and 2 October 2020	-
Net book value	
At 2 October 2020	38,815
At 27 September 2019	38,815

NOBLE FOODS GROUP LIMITED

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

11. INVESTMENTS (Continued)

At 2 October 2020 the company had the following investments:

Company	Nature of Business	Country of operation/ Incorporation	Proportion held %
Deans Foods Limited	Dormant	United Kingdom	100
Noble Egg Limited	Dormant	United Kingdom	100
Goldenlay Foods Limited	Dormant	United Kingdom	100
Noble CKH Limited *	Dormant	United Kingdom	100
Noble Foods Holdings Limited *	Intermediate holding company	United Kingdom	100
Noble Foods International Limited	Dormant	United Kingdom	100
Noble Foods Limited	Egg production, processing and marketing	United Kingdom	100

* Held directly by Noble Foods Group Limited

All the above companies which are incorporated in England & Wales are registered at Cotswold Farm, Standlake, Witney, Oxfordshire, England, OX29 7RB.

12. PRIOR YEAR DISPOSAL OF SUBSIDIARY AND DISCONTINUED OPERATIONS

On 13 March 2019, the Group disposed of its interest in Polzeath Surf Limited (and its subsidiaries Noble Foods Inc and Forest Vale Limited), a company incorporated in Guernsey. The disposal was part of a change in ownership and restructuring of the wider Noble Group.

The net assets of Polzeath Surf Limited and its subsidiaries at the date of disposal were as follows:

	£'000
Net assets	
Stock	454
Trade and other debtors	4,325
Trade and other creditors	(2,551)
Cash at bank	1,800
Tax liability	(72)
Related party liabilities	(3,877)
	<u>79</u>
Consideration paid	-
Loss on disposal	<u><u>79</u></u>

NOBLE FOODS GROUP LIMITED

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

12. PRIOR YEAR DISPOSAL OF SUBSIDIARY AND DISCONTINUED OPERATIONS (Continued)

The results of the discontinued operation have been included on the face of the consolidated profit and loss account.

During the prior period, Polzeath Surf Limited and its subsidiaries had an operating cash outflow of £325k, paid £nil in respect of investing activities and paid £nil (2018: £nil) in respect of financing activities.

13. STOCKS

	Group 2020 £'000	Group 2019 £'000
Livestock	5,920	5,789
Raw materials and consumables	4,176	3,558
Finished goods	1,641	1,549
	<u>11,737</u>	<u>10,896</u>

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

The Company has no stocks.

14. DEBTORS

	Group 2020 £'000	Company 2020 £'000	Group 2019 £'000	Company 2019 £'000
Amounts falling due within one year:				
Trade debtors	12,807	-	14,641	-
Derivative financial instruments (note 19)	-	-	61	-
Amounts due from companies with common ultimate parent	68,817	20,505	97,105	27,968
VAT recoverable	1,082	-	1,479	-
Other debtors	13,089	-	8,442	-
Corporation tax recoverable	612	-	434	-
Prepayments and accrued income	6,535	-	7,375	-
	<u>102,942</u>	<u>20,505</u>	<u>129,537</u>	<u>27,968</u>

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

NOBLE FOODS GROUP LIMITED

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

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 £'000	Company 2020 £'000	Group 2019 £'000	Company 2019 £'000
Other loans (note 17)	-	-	258	-
Trade creditors	25,620	-	29,071	-
Amounts due to Group Companies	121,514	43,842	145,239	51,962
Derivative financial instruments (note 19)	870	-	-	-
Other taxation and social security	1,517	-	1,367	-
Other creditors	4,822	-	754	-
	<u>154,343</u>	<u>43,842</u>	<u>176,689</u>	<u>51,962</u>

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

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

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2020 £'000	Company 2020 £'000	Group 2019 £'000	Company 2019 £'000
Other loans (note 17)	-	-	950	-
	<u>-</u>	<u>-</u>	<u>950</u>	<u>-</u>

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

NOBLE FOODS GROUP LIMITED

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

17. BANK LOANS AND OVERDRAFTS

	Group 2020 £'000	Company 2020 £'000	Group 2019 £'000	Company 2019 £'000
Other loans	-	-	1,208	-
	-	-	1,208	-
Analysed in the balance sheet as:				
Within one year	-	-	258	-
After more than one year	-	-	950	-
	-	-	1,208	-
Analysis of other loan repayments:				
Within one year	-	-	258	-
Between one and two years	-	-	258	-
Between two and five years	-	-	692	-
	-	-	1,208	-

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

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

NOBLE FOODS GROUP LIMITED

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

18. PROVISIONS FOR LIABILITIES

Group

Deferred taxation £'000

At 28 September 2019	3,948
Debited to the profit and loss account	460
Debited to comprehensive income	128
	<hr/>
At 2 October 2020	4,536
	<hr/>

The deferred taxation balance consists of the following amounts:

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

Company

The Company has no provided or unprovided deferred taxation.

NOBLE FOODS GROUP LIMITED

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

19. FINANCIAL INSTRUMENTS

Group

	2020 £'000	2019 £'000
Financial assets		
Measured at fair value through profit or loss		
Derivative financial assets	-	61
Measured at undiscounted amount receivable		
Trade and other debtors	94,713	120,188
	<u>94,713</u>	<u>120,249</u>
Financial liabilities		
Measured at fair value through profit or loss		
Derivative financial liabilities	870	-
Measured at undiscounted amount payable		
Trade and other creditors	151,956	175,064
Measured at amortised cost		
Loans payable	-	1,208
	<u>152,826</u>	<u>176,272</u>

Company

	2020 £'000	2019 £'000
Financial assets		
Measured at undiscounted amount receivable		
Trade and other debtors	20,505	27,968
	<u>20,505</u>	<u>27,968</u>
Financial liabilities		
Measured at undiscounted amount payable		
Trade and other payables	43,842	51,962
	<u>43,842</u>	<u>51,962</u>

Interest payable in respect of financial liabilities carried at amortised cost totalled £nil (2019: £2,503k).

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

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

NOBLE FOODS GROUP LIMITED

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

20. CALLED UP SHARE CAPITAL

	2020 £	2019 £
Shares classified as capital		
Authorised, called up, allotted and fully paid		
500,000 'A' ordinary shares of 10 pence each	50,000	50,000
500,000 'B' ordinary shares of 10 pence each	50,000	50,000
86,705 Non voting 'D' ordinary shares of 10 pence each	8,670	8,670
34,682 Non voting 'E' ordinary shares of 10 pence each	3,468	3,468
	<u>112,138</u>	<u>112,138</u>

21. DIVIDENDS

	2020 £'000	2019 £'000
Equity dividends	<u>3,000</u>	<u>1,000</u>

22. FINANCIAL COMMITMENTS

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

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

The Company has no annual commitments in respect of operating leases.

23. CAPITAL COMMITMENTS

At the period end, the group had the following capital commitments:

	2020 £'000	2019 £'000
Contracted but not provided	<u>943</u>	<u>2,936</u>

The Company has no capital commitments.

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

24. PENSION SCHEMES

The Group operates a defined contribution pension schemes for eligible employees. Contributions made to the defined contribution pension schemes during the period were £526k (2019: £463k). The subsidiary Noble Foods Limited also has a defined benefit pension scheme which is closed to new members and closed to future accruals.

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

Having considered the Scheme funding position during 2016, the Group reached agreement with the Scheme Trustees to cease contributions. The estimated amount of contributions expected to be paid to the scheme during the 2020 financial period in accordance with this agreement is £nil.

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

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

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

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

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

NOBLE FOODS GROUP LIMITED

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

24. PENSION SCHEMES (Continued)

The amounts recognised in the balance sheet are as follows:

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

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

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

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

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

NOBLE FOODS GROUP LIMITED

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

24. PENSION SCHEMES (Continued)

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

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

Recognised in the statement of comprehensive income (SOCl):

	2020 £'000	2019 £'000
Actuarial gains/(losses) for the period	1,174	(250)
Cumulative amount of actuarial losses recognised in the SOCl*	(4,891)	(6,065)

* Since FRS 17 disclosures in 2002/03.

The five year history of experience adjustments is as follows:

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

NOBLE FOODS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

53 week period ended 2 October 2020

25. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOW

	2020 £'000	2019 £'000
Operating (loss)/profit	(2,734)	8,866
Adjustment for:		
Depreciation, amortisation and impairment	5,670	5,822
Revaluation of tangible fixed assets	8,984	-
Profit/(loss) on disposal of fixed assets	(530)	465
Working capital movements		
Increase in stocks	(842)	(758)
Decrease/(Increase) in debtors	30,135	(4,707)
(Decrease)/Increase in creditors	(26,006)	2,387
Cash flow from operating activities	14,677	12,075
Taxation paid	(565)	(1,925)
Net cash inflow from operating activities	14,112	10,150

26. RELATED PARTY DISCLOSURES

Controlling party

The Company has taken advantage of paragraph 33.1A of FRS102 from disclosing transactions between fellow wholly owned subsidiaries of Noble Foods Group Limited.

The immediate holding company is Noble Foods Group Guernsey Limited, a company incorporated in Guernsey. The ultimate holding company is Lendon Holdings Limited, a company incorporated in Guernsey.

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

Key management remuneration

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

Other related party transactions

Noble Foods (WE) Limited (formerly Gubblecote Properties Ltd) provided consultancy services to the Group totalling £nil (2019: £156k) during the period, it also provided electricity totalling £348k (2019: £224k). P D Dean is an employee of Noble Foods (WE) Limited. The Group rented a number of properties from P D Dean, total rentals during the period were £72k (2019: £56k). During the period the Group received £6,993k (2019: £7,888k) in respect of the sale of receivables to Noble Pullet Finance Limited, a company in which P D Dean is materially interested as a shareholder, the sales were made on a normal trading basis.

During the period net goods and royalties on a normal trading basis to the value of £29,998k (2019: £25,331k) were transacted with Noble Foods, a company which has a common ultimate parent company and a company in which P D Dean is an ultimate controlling party.

NOBLE FOODS GROUP LIMITED

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

26. RELATED PARTY DISCLOSURES (Continued)

During the period the Group purchased services on a normal trading basis to the value of £25,944k (2019: £20,360k) from Noble Logistics, a company which has a common ultimate parent company and a company in which P D Dean is an ultimate controlling party.

During the period goods totalling £7,734k (2019: £12,139k) were sold to Noble Egg Innovations on a normal trading basis. The Group also charged £1,284k (2019: £1,275k) in respect of services provided to Noble Egg Innovations. Noble Egg Innovations is a company in which P D Dean is an ultimate controlling party.

Amounts due from companies with a common ultimate parent are disclosed in Note 14.

On 13 March 2019 the Group acquired certain US trademark rights from Noble Foods for consideration of £1.

As disclosed in note 12, on 13 March 2019 the Group disposed of its interest in Polzeath Surf Limited and its subsidiaries (Noble Foods Inc and Forest Vale Limited) to M R J Kent, an individual who until 14 March 2019 was considered to be an ultimate controlling party.