

GU INDULGENT FOODS LIMITED

Formerly NOBLE DESSERTS HOLDINGS LIMITED

Annual Report and Financial Statements

52 week period ended 1 October 2021

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GU INDULGENT FOODS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

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GU INDULGENT FOODS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P Utting
D Dosanjh

REGISTERED OFFICE

Head Office
Dunmow Road
Bishop's Stortford
Hertfordshire
CM23 5PA

AUDITOR

Deloitte LLP
Statutory Auditor
4 Brindleyplace
Birmingham
B1 2HZ
United Kingdom

GU INDULGENT FOODS LIMITED

STRATEGIC REPORT

The directors present their report and financial statement for the 52 week period ended 1 October 2021 (2020: 53 weeks ended 3 October 2020).

PRINCIPAL ACTIVITY

The principal activity of the Group was that of the manufacture and marketing of chilled desserts.

REVIEW OF THE BUSINESS

On 9 June 2021 the Company was sold by Noble Foods Group Guernsey Limited and the new ultimate controlling party is Exponent Private Equity LLP. The Company subsequently changed its name from Noble Desserts Holdings Limited to Gu Indulgent Foods Limited.

The Company made a profit for the year of £9,222k (2020: £3,195k) on turnover of £62,287k (2020: £54,405k). At the balance sheet date, the Company had net assets of £49,972k (2020: £30,846k).

2021 saw sales growth across all markets (UK, France and International). The UK benefitted from the launch of New Products including the Inspired By Bakery Range, new Mousse and Hot Eat products. We saw growth with all the main grocery accounts and the brand was supported through the year (Veganuary, Valentine's and Xmas) by higher levels of marketing. France grew 20% in the year with new packaging, pricing and NPD all contributing. International saw core brand growth in Germany and new listings in Netherland and Austria. Operationally the site produced record levels of output +14% year-on-year and service levels were consistently high at 98.1%.

KEY PERFORMANCE INDICATOR (KPI)

The directors consider earnings before interest, taxation, depreciation and amortisation (EBITDA) to be the core KPI of the business. EBITDA for the period was £16,024k (2020: £8,706k) as calculated below:

EBITDA	2021	2020
	£'000	£'000
OPERATING PROFIT	11,591	4,761
Add back		
- depreciation	2,956	2,468
- amortisation	1,477	1,477
EBITDA	16,024	8,706

A further KPI is the Customer Service Level, measured as the percentage of order quantity fill at the point of despatch to the customer compared to the original customer order placed.

Customer Service Levels	2021: 98.1%	2020: 99.1%
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PRINCIPAL RISKS AND UNCERTAINTIES

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

- Continuity of supply of key Ingredients/Packaging which we mitigate through having several supplier agreements. Inflation of raw materials which we have procurement strategies in place to manage. Availability of operational labour which we plan to make sure we deliver a wonderful workplace for colleagues and ensure we remain competitive on terms in the local geography.
- Food safety is a business priority and in line with BRC requirements; the site has undertaken HACCP, TACCP and VACCP assessments that cover the product quality and safety.

GU INDULGENT FOODS LIMITED

STRATEGIC REPORT

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. They have had regard, amongst other matters, to:

- The likely consequences of any decision in the long term;
- The interest of the company's employees;
- The need to foster the company's business relationship with suppliers, customers and others;
- The impact of the company's operations on the community and the environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the company

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 Group 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 Group's engagement with its stakeholders and consideration of their respective interest is as described below:

Employees: the directors ensured all employees were aware of the objectives and results of the company through presentations, work meetings and training. They have focused in providing a positive work environment for all employees with opportunities for all to grow and achieve their potential. Employee surveys, cross-departmental workplace committees and benchmarking with other employers gave the directors reassurance that the company is a fair employer and rewards their staff appropriately. The Group has established procedures with regard to ethical business practices, health and safety and human rights. The process for engaging with and involving our employees is described in more detail in the Directors Report.

Customers – The majority of the Group's customers are based in the United Kingdom, with some trade taking place with customers based in the European Union. The company collaborates with a variety of customers and our success depends on having the resources and skills necessary to guarantee superior service level, food safety, product quality and advanced communication.

Suppliers - The majority of the Group's suppliers are vendors based in the United Kingdom which provide goods and services that enable the Company to carry out its principal activities. The directors ensure that the Group acts responsibly, and in compliance with statutory regulatory and industry codes of practice, when dealing with its supply base. Gu Indulgent Foods Limited has longstanding relationships with local and international suppliers ensuring conformance of quality, cost competitiveness and guaranteed sourcing.

Community and environment – Gu Indulgent Foods Limited is a significant job contributor in the area of Bishop Stortford. We continue our long-standing partnerships with FareShare and GroceryAid. FareShare is the UK's largest food redistribution charity, fighting hunger and food waste by redistributing good food that would otherwise go to waste to over 11,000 charities and community groups. GroceryAid has been looking after those in the grocery industry for 160 years.

The Company seeks to operate to the highest standards and comply with all European and UK Government environmental regulations relating to food and its packaging. The company will always consider more environmentally sustainable business models to fulfil its duty to minimise adverse environmental impacts by ensuring efficient use of materials and energy, recycling where possible, minimising waste, road miles and freight.

Principal decisions

During 2021 there was a change of ownership from Noble Foods to Exponent, this was a move inspired to unlock the long term potential of the brand and business. Exponent have put in place significant investment facilities to enable the business to grow and meet its goals. The newly established board comprises members from both the management (CEO/CFO) and Exponent with Lucien Fa being appointed as chairman. Lucien is a food and drinks specialist, with an extensive track record in developing food brands globally. With over 40 years executive level experience, Lucien was CEO of Yoplait and held leadership roles within the global group of Danone.

GU INDULGENT FOODS LIMITED

STRATEGIC REPORT

FUTURE DEVELOPMENTS

The directors expect the general level of activity to increase in the forthcoming period. The directors' focus will be to put in place additional capacity at the manufacturing site to support the level of current and future growth. There will be continued focus on managing margin and delivering profitable growth whilst ensuring the cost base continues to remain appropriate for the business.

The directors also continually monitor the impact of Covid-19, and associated health requirements, on both the operations and commercial performance of the Company. To ensure continuity of operations the business has kept in place social distancing rules and infrastructure to ensure a robust supply chain remains 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



D Dosanjh
Director

24 February 2022

DIRECTORS' REPORT

The directors present their audited annual report on the affairs of the Group, together with the financial statements and auditor's report for the 52 week period ended 1 October 2021.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

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

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 Group to which it belongs and concluded it has adequate resources to continue in operational existence for the foreseeable future and therefore the going concern basis continues to be adopted in preparing the financial statements.

The Company's Board has given regard to the forecasts produced by management. These forecasts have been sensitised to reflect plausible downside scenarios which have been reviewed by the Company's Board of Directors.

The forecasts demonstrate that the Company is projected to generate profits and cash inflows and that the Company has sufficient liquidity to enable it to meet its obligations as they fall due for a period of at least twelve months from the date of signing these financial statements.

In considering these forecasts the Directors have taken into account the Group's borrowing facilities (which are in place until June 2028) and the related leverage covenants. The directors are confident that the Group has adequate liquidity headroom, there is no material risk of breaching leverage covenants over the next twelve months.

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.

DIVIDENDS

A dividend of £4,223k (12.38p per share) was declared and paid during the year (2020: nil).

DIRECTORS

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

D Everett (resigned 9 June 2021)
J Patey (resigned 9 June 2021)
P Utting (appointed 9 June 2021)
D Dosanjh (appointed 9 June 2021)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Cash flow risk

The Company's activities expose it to the risk of changes in the Euro exchange rate and it has consequently entered into forward contracts in order to manage exposure to exchange rate fluctuations.

Credit risk

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

The Company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The 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.

GU INDULGENT FOODS LIMITED

DIRECTORS' REPORT

The Company 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 Company is part of a Group that has external finance arrangement.

STREAMLINED ENERGY AND CARBON REPORTING

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

	2021	2020
Electricity purchased for own use, including for purposes of transportation (tCO ₂ e)	Scope 2: 1,088 Scope 3: 96	Scope 2: 1,299 Scope 3: 103
Total greenhouse gas emissions (tCO ₂ e)	1,803	1,791
Energy consumption – all sources (kWh)	8,488,754	7,641,075
Intensity ratio (kgCO ₂ e/sales revenue £m)	0.029	0.011

tCO₂e = tonnes of carbon dioxide equivalent kWh= Kilowatt hours

Methodology

The Company 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 Company 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 Company has invested in a zero-carbon electricity tariff, which has significantly reduced the carbon footprint of electricity purchased. The Company also has plans to roll out energy awareness training across the business during 2021.

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. We have in place a cross functional team of elected representatives who meet monthly with management to enable feedback on management proposals and provide employee suggestions. There is a regular monthly briefing to the whole business which updates on business performance, challenges we may face, key strategic plans and updates on in year initiatives. During 2021 we have commenced working with Great Place to Work (GPTW) who help organisations create exceptional, high performing workplaces where employees feel trusted and valued. We have commenced this partnership by using the GPTW facilitated survey with our workforce and this

GU INDULGENT FOODS LIMITED (continued)

DIRECTORS REPORT

has provided great feedback and enabled management to focus the people agenda. During 2021 there has been a major focus on Covid-19 communications and ensuring we make the workplace a safe place for all. This involved listening to our people, adhering to government policies and then putting in place action plans that we communicated regularly.

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:



D Dosanjh
Director

24 February 2022

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 period. 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 Gu Indulgent Foods Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements Gu Indulgent Foods Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 1st October 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the statement of changes in equity;
- the statement of financial position;
- the related notes 1 to 22.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate.

We discussed among the audit engagement team including relevant internal specialists such as valuations specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance reviewing correspondence with HMRC

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

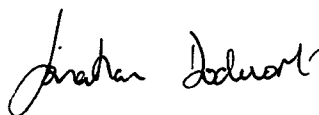
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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



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

24 February 2022

GU INDULGENT FOODS LIMITED

PROFIT AND LOSS ACCOUNT

	Note	52 weeks ended 1 October 2021 £'000	53 weeks ended 2 October 2020 £'000
TURNOVER	3	62,287	54,405
Cost of sales		(38,135)	(36,656)
GROSS PROFIT		24,152	17,749
Sales and distribution expenses		(7,666)	(6,183)
Administrative expenses		(4,895)	(6,805)
OPERATING PROFIT	4	11,591	4,761
Interest receivable and similar income	6	0	38
Interest payable and similar charges	6	(238)	(771)
PROFIT BEFORE TAXATION		11,353	4,028
Taxation of profit	7	(2,131)	(833)
PROFIT FOR THE FINANCIAL PERIOD		9,222	3,195

All activities are derived from continuing operations.

GU INDULGENT FOODS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

	52 weeks ended 1 October 2021 £'000	53 weeks ended 2 October 2020 £'000
Profit for the financial period	9,222	3,195
Losses on revaluation of tangible fixed assets net of deferred tax	<u>9</u>	<u>(90)</u>
Total comprehensive income relating to the period	<u><u>9,231</u></u>	<u><u>3,105</u></u>

GU INDULGENT FOODS LIMITED

STATEMENTS OF CHANGES IN EQUITY

	Note	Called up share capital £'000	Reval- uation reserve £'000	Profit and loss account £'000	Total £'000
At 27 September 2019		<u>20,004</u>	<u>4,154</u>	<u>3,581</u>	<u>27,739</u>
Profit for the financial period		-	-	3,195	3,195
Losses on revaluation of tangible fixed assets net of deferred tax		-	(90)	-	(90)
Additional depreciation on revalued cost of assets		-	(31)	31	-
Total comprehensive (expense)/ income		<u>-</u>	<u>(121)</u>	<u>3,226</u>	<u>3,105</u>
Issue of share capital		<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
At 2 October 2020		<u>20,006</u>	<u>4,033</u>	<u>6,807</u>	<u>30,846</u>
Profit for the financial period		-	-	9,222	9,222
Gain on revaluation of tangible fixed assets net of deferred tax		-	9	-	9
Additional depreciation on revalued cost of assets		-	-	-	-
Total comprehensive (expense)/ income		<u>-</u>	<u>9</u>	<u>9,222</u>	<u>9,231</u>
Issue of share capital	15	<u>14,118</u>	<u>-</u>	<u>-</u>	<u>14,118</u>
Dividend conditional on sale				(4,223)	(4,223)
At 1 October 2021		<u>34,124</u>	<u>4,042</u>	<u>11,806</u>	<u>49,972</u>

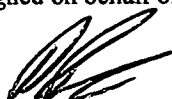
GU INDULGENT FOODS LIMITED

BALANCE SHEET

	Note	1 October 2021 £'000	2 October 2020 £'000
FIXED ASSETS			
Goodwill	8	12,305	13,782
Tangible fixed assets	9	31,754	33,658
		<u>44,059</u>	<u>47,440</u>
CURRENT ASSETS			
Stock	11	8,182	5,817
Debtors	12	13,494	6,586
Cash at bank and in hand		5,166	6,304
		<u>26,842</u>	<u>18,707</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	<u>(17,807)</u>	<u>(33,029)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>9,035</u>	<u>(14,322)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		53,094	33,118
PROVISION FOR LIABILITIES	14	<u>(3,122)</u>	<u>(2,272)</u>
NET ASSETS		<u>49,972</u>	<u>30,846</u>
CAPITAL AND RESERVES			
Called up share capital	15	34,124	20,006
Revaluation reserve		4,042	4,033
Profit and loss account		11,806	6,807
SHAREHOLDERS' FUNDS		<u>49,972</u>	<u>30,846</u>

These financial statements of Gu Indulgent Foods Limited, registered number 07104090, were approved by the Board of Directors and authorised for issue on 24 February 2022

Signed on behalf of the Board of Directors



D Dosanjh

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 week period ended 1 October 2021

1. ACCOUNTING POLICIES

Gu Indulgent Foods Limited, formerly Noble Desserts Holdings 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 52 weeks ended 1 October 2021 (prior financial year 53 weeks ended 2 October 2020). The Company has taken advantage of s390 of the Companies Act 2006 to prepare accounts for a financial period ended 1 October 2021, being within seven days of the accounting reference date of 30 September.

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

Accounting convention

The financial statements are prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The following dormant subsidiaries of the Company have taken advantage of the Companies Act 2006 s394A exemption from preparing individual accounts. These subsidiaries are exempt from the requirement to prepare individual accounts by virtue of this section:

Rensow Limited (04656292)

Rensow Patisserie Limited (02575183)

Gü Limited (04700952)

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

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 Group to which it belongs and concluded it has adequate resources to continue in operational existence for the foreseeable future and therefore the going concern basis continues to be adopted in preparing the financial statements.

The Company's Board has given regard to the forecasts produced by management. These forecasts have been sensitised to reflect plausible downside scenarios which have been reviewed by the Company's Board of Directors.

The forecasts demonstrate that the Company is projected to generate profits and cash inflows and that the Company has sufficient liquidity to enable it to meet its obligations as they fall due for a period of at least twelve months from the date of signing these financial statements.

In considering these forecasts the Directors have taken into account the Group's borrowing facilities (which are in place until June 2028) and the related leverage covenants. The directors are confident that the Group has adequate liquidity headroom, there is no material risk of breaching leverage covenants over the next twelve months.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 week period ended 1 October 2021

1. ACCOUNTING POLICIES (Continued)

Basis of preparation

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

The Company has taken advantage of the exemption (Companies Act 2006 s401) not to prepare group financial statements on the basis that the Company is included within the consolidated group financial statements of Indulgence Midco Limited which are publicly available.

The Company meets the definition of a qualifying entity under FRS102 and has therefore taken exemptions available to it in the preparation of its financial statements. Exemptions have been taken in relation to the presentation of a cash flow statement, financial instruments disclosures, transactions with other wholly owned subsidiaries and remunerations of key management personnel.

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration 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, which is 20 years. Impairment reviews are performed annually by assessing expected future cash flows of the company and applying an appropriate discount rate to these expected cash flows. Provision is made for any impairment.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Tangible fixed assets

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

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

The rates of depreciation are as follows:

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

Leased assets

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

Stocks

Stocks are stated at the lower of cost and estimated net realisable value. Cost of raw materials is determined on a FIFO basis. Finished goods are valued using standard costing, comprising materials, direct labour and attributable production overheads. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 week period ended 1 October 2021

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.

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.

Turnover

Turnover solely represents amounts derived from the provision of goods and services which fall within the Group's ordinary activities after deduction of trade discounts and value added tax, and is recognised on despatch of goods. The Directors consider the group has one class of business which serves different geographical segments.

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.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 week period ended 1 October 2021

1. ACCOUNTING POLICIES (Continued)

Financial instruments (continued)

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 foreign exchange risk. 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.

Pensions

The Company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year which they are payable.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from the sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

There were no critical judgements or sources of estimation uncertainty that the directors have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the financial statements

GU INDULGENT FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) 52 week period ended 1 October 2021

3. TURNOVER

The Directors consider the group has one class of business which serves different geographical segments.

Geographic segments (turnover by destination):	2021 £'000	2020 £'000
United Kingdom	45,852	43,441
Rest of Europe	16,428	10,936
Rest of World	7	28
	<u>62,287</u>	<u>54,405</u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):	2021 £'000	2020 £'000
Depreciation		
- owned assets	2,956	2,468
Bad debt provision	175	261
Fixed asset impairments	645	-
Rentals under operating leases		
- hire of plant and machinery	72	87
- other operating leases	117	137
Amortisation of goodwill	1,477	1,477
Auditor's remuneration		
- For the audit of the company's financial statements	58	35
- Tax services provided by auditor	22	22
Foreign exchange differences	127	(9)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 week period ended 1 October 2021

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2021	2020
	Number	Number
Average number of persons employed:		
Production	113	108
Sales and distribution	2	4
Administration	89	82
	<u>204</u>	<u>194</u>
Employee costs during the period:	£'000	£'000
Wages and salaries	8,139	7,411
Social security costs	805	850
Pension costs	214	189
	<u>9,158</u>	<u>8,450</u>
Directors remuneration:	2021	2020
	£'000	£'000
Emoluments	224	-
Pension costs	4	-
	<u>228</u>	<u>-</u>

The remuneration of the highest paid director was £468k for the full year, of which £150k was paid since being appointed a director from 9 June 2021. The highest paid director is not a member of any company pension scheme and the company contribution to a pension scheme was nil.

In the prior year, the directors of the company were remunerated through Noble Foods Limited. The directors received no remuneration for their services to the Company and it was not practicable to split the costs of services between those provided to the Company and those provided to other companies within the wider Noble group.

6. INTEREST

	2021	2020
	£'000	£'000
a) Interest receivable and similar income		
Derivative financial instruments	-	38
	<u>-</u>	<u>38</u>
b) Interest payable and similar charges		
Interest on group loans	236	770
Interest payable on invoice discounting	2	1
	<u>238</u>	<u>771</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 week period ended 1 October 2021

7. TAXATION

a) Tax on profit

	2021	2020
	£'000	£'000
Current tax:		
UK corporation tax charge	1,649	1,241
Adjustment in respect of previous periods	(376)	(392)
Total current tax	1,273	849
Deferred tax:		
Origination and reversal of timing differences	131	(182)
Adjustments in respect of previous periods	241	4
Change in deferred tax rate	486	162
Total deferred tax	858	(16)
Total tax charge for the current period	2,131	833

b) Factors affecting the tax charge for the period

The tax charged for the period differs from the standard rate of 19% (2020: 19%) corporation tax in the UK. The differences are explained below:

	2021	2020
	£'000	£'000
Profit before taxation	11,353	4,021
Tax on profit at standard rate in the UK 19% (2020: 19%)	2,157	764
Effects of:		
Expenses not deducted for tax purposes	27	295
Adjustment in respect of previous periods	(135)	(388)
Change in rate	486	162
Group relief	(404)	-
Total tax charge for the period	2,131	833

c) Change in tax rates

The Finance Bill 2021 stated the main corporation tax rate of 19% will increase to 25%, effective 1 April 2023. As the 25% tax rate was substantively enacted at the balance sheet date, the relevant rate increases have been reflected in the calculation of deferred tax.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 week period ended 1 October 2021

8. GOODWILL

	£'000
Group and Company	
Cost	
At 2 October 2020	28,551
At 1 October 2021	28,551
Amortisation	
At 2 October 2020	14,769
Charge for the period	1,477
At 1 October 2021	16,246
Net book value	
At 1 October 2021	12,305
At 2 October 2020	13,782

9. TANGIBLE FIXED ASSETS

	Freehold Land and buildings £'000	Plant and machinery £'000	Total £'000
Valuation/Cost			
At 2 October 2020	15,925	26,595	42,520
Additions	324	2,983	3,307
Disposals	(5)	(1,330)	(1,335)
Write offs	(8)	(1,549)	(1,557)
At 1 October 2021	16,236	26,699	42,935
Accumulated depreciation			
At 2 October 2020	496	8,366	8,862
Charge for the period	226	2,730	2,956
Disposals/write offs	(1)	(636)	(637)
At 1 October 2021	721	10,460	11,181
Net book value			
At 1 October 2021	15,515	16,239	31,754
At 2 October 2020	15,429	18,229	33,658

GU INDULGENT FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

52 week period ended 1 October 2021

Included in the total for land and buildings is an amount of £725k (2020: £725k) relating to land that is not being depreciated.

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

Comparable amounts determined according to the historical cost convention:-

	Freehold Land and buildings buildings	Plant and machinery	Total
	£'000	£'000	£'000
2021			
Cost	10,426	26,595	37,021
Accumulated depreciation	(644)	(11,096)	(11,740)
Net book value 1 October 2021	9,782	15,499	25,281
2020			
Cost	10,426	26,595	37,021
Accumulated depreciation	(418)	(8,366)	(8,784)
Net book value 2 October 2020	10,008	18,229	28,237

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 week period ended 1 October 2021

10. FIXED ASSET INVESTMENTS

The group's principal subsidiaries are listed below:

Company	Principal activity	Country of incorporation
Rensow Limited	Dormant	United Kingdom
Rensow Patisserie Limited	Dormant	United Kingdom
Noble Desserts France SARL	Marketing of chilled desserts	France
Gü Limited	Dormant	United Kingdom
Gü Desserts Inc	Marketing of chilled desserts	USA

The company owns 100% of the ordinary share capital of voting rights of all the companies above. The total carrying value of investments is £101 (2020: £101).

The registered address of Noble Desserts France SARL is 25 place de la Madeleine, 75008, Paris, France.

The registered address of Gu Desserts Inc is 71 McMurray Road, Suite 104, Pittsburgh, PA 15241, USA.

11. STOCKS

	2021	2020
	£'000	£'000
Finished goods	7,093	5,112
Raw materials and consumables	1,089	705
	<u>8,182</u>	<u>5,817</u>

The replacement cost of the above stocks would not be significantly different from the values stated.

12. DEBTORS

	2021	2020
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	10,774	5,508
VAT	2,001	543
Corporation tax	-	158
Other debtors	55	-
Prepayments and accrued income	664	345
Derivative financial instruments (see note 19)	-	32
	<u>13,494</u>	<u>6,586</u>

GU INDULGENT FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) 52 week period ended 1 October 2021

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Trade creditors	2,356	2,614
Amounts owed to related parties	-	20,008
Amounts owed to group undertakings	2,022	66
Corporation tax	1,074	51
Other taxes and social security	-	-
Accruals	12,355	10,290
Derivative financial instruments (see note 18)	-	-
	<u>17,807</u>	<u>33,029</u>

Loans with companies with common ultimate parent in prior year were repayable on demand. Interest on these loans were charged at between 0% and LIBOR+2.5%.

14. PROVISION FOR LIABILITIES

Provision for liabilities is in respect of deferred taxation.

	£'000
At 2 October 2020	2,272
Debit to the profit and loss	859
Credit to comprehensive income	(9)
	<u>3,122</u>
At 1 October 2021	<u>3,122</u>

The deferred tax balance consists of the following amounts:

	2021 £'000	2020 £'000
Difference between capital allowances and depreciation	2,158	1,540
Timing differences on revalued properties	964	973
Employee benefits	-	(241)
	<u>3,122</u>	<u>2,272</u>

There is no unprovided deferred tax.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
52 week period ended 1 October 2021

15. CALLED UP SHARE CAPITAL

	2021 £'000	2020 £'000
Called up, allotted and fully paid		
34,117,694 (2020: 20,000,000) ordinary shares of £1 each	34,118	20,000
1,000 (2020: 1,000) 'A' shares of £1 each	-	-
1,000 (2020: 1,000) 'B' shares of £1 each	-	1
4,000 (2020: 2,000) deferred shares of £1 each	4	3
1,900 (2020: 1,900) 'D' shares of £1 each	2	2
	<u>34,124</u>	<u>20,006</u>

The 'A', 'B', 'D' and deferred shares are non-voting and don't contain rights to receive dividends. The A and B shares were converted into deferred shares during the year.

No dividend was approved or paid during the period.

On 14 May 2021 the Company made an issue of 14,117,694 ordinary shares in consideration of an intercompany loan with its then parent company.

16. FINANCIAL COMMITMENTS

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

	2021 Land & buildings £'000	2021 Other £'000	2020 Land & buildings £'000	2020 Other £'000
Leases which expire:				
Within one year	158	70	204	113
Between one and five years	340	67	197	138
	<u>498</u>	<u>137</u>	<u>275</u>	<u>321</u>

17. CAPITAL COMMITMENTS

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

	2021 £'000	2020 £'000
Contracted but not provided	<u>112</u>	<u>21</u>

GU INDULGENT FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) 52 week period ended 1 October 2021

18. FINANCIAL INSTRUMENTS

	2021 £'000	2020 £'000
Financial assets		
Measured at fair value through profit or loss		
Derivative financial assets	-	32
Measured at undiscounted amount receivable		
Trade and other debtors	10,774	5,519
	<u>10,774</u>	<u>5,551</u>
Financial liabilities		
Measured at fair value through profit or loss		
Derivative financial liabilities	-	-
Measured at undiscounted amount payable		
Trade and other creditors	16,733	33,063
	<u>16,733</u>	<u>33,063</u>

The fair value of derivative financial assets and liabilities are based on market value price quotations at the reporting date. The gain on derivative financial instruments recognised in the profit and loss account during the period was nil (2020: £38,000 gain).

Derivatives are comprised of financial currency contracts with monthly settlement dates up to March 2021.

19. KEY MANAGEMENT REMUNERATION

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

20. ULTIMATE PARENT COMPANY AND CONTROLLING PARTIES

On 9th June 2021 the Company was the subject of a Sale Agreement. On 15 September 2021 the Company was sold to Indulgence Bidco Limited and subsequently on 28th September 2021 to Indulgence Newco Limited.

The Company changed its name from Noble Desserts Holding Limited to Gu Indulgent Foods Limited on 25 June 2021.

The Company changed its registered address on 14 June 2021 to Head Office, Dunmow Road, Bishop's Stortford, Hertfordshire CM23 5PA.

The immediate parent company as at 1 October 2021 is Indulgence Newco Limited, a company incorporated in England and Wales. The ultimate holding company is Exponent Private Equity LLP, a company incorporated in England and Wales and is considered to be the ultimate controlling party. Its registered address is 30 Broadwick Street, London W1F 8JB.

GU INDULGENT FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) **52 week period ended 1 October 2021**

The largest group in which the results of the company are consolidated is Gu Food Holdings Limited, a company registered in England and Wales. The smallest group in which the results of the company are consolidated is Indulgence Midco Limited, a company registered in England and Wales. Copies of the group financial statements of Gu Food Holdings Limited and Indulgence Midco Limited are available to the public and can be obtained from the Registrar of Companies, Companies House, Cardiff, CF14 3UZ.

21. RELATED PARTY TRANSACTIONS

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

The Company paid transactions fees on behalf of Indulgence Bidco Limited of £5,975,224.

During the period the Company repaid net funding to Noble Foods Group Limited of £14,118k in exchange for 14,117,694 ordinary shares (2020: £8,906,560 net funding repaid).

22. COMMITMENTS

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