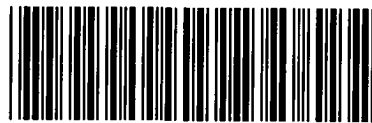

BART SPICES GROUP HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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BART SPICES GROUP HOLDINGS LIMITED

COMPANY INFORMATION

Directors	DJ Collard SH Walker (appointed 1 July 2022) J Herden (resigned 30 June 2022)
Registered number	07225991
Registered office	Central Park Goldcrest Way Severn Beach Bristol BS35 4GH
Independent auditors	CLA Evelyn Partners Limited Chartered Accountants & Statutory Auditors Portwall Place Portwall Lane BS1 6NA

BART SPICES GROUP HOLDINGS LIMITED

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BART SPICES GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The directors present their strategic report for the year ended 31 December 2021.

Business review

The Group's main trading subsidiary, The Bart Ingredients Co. Ltd is involved in the manufacture and sale of a wide range of savoury cooking ingredients that are sold to consumers under the "Bart" brand and retailer owned private labels.

In the year ended 31 December 2021, the Group's turnover increased by 3% to £41.3m, which followed a 33% increase in 2020. The Group took on a new major contract following its move to a much larger site in Bristol with a consequent increase in production capacity. Whilst the third COVID-19 lockdown in early 2021 resulted in increased spend in supermarkets, the overall impact of the pandemic on sales was lower than in 2020 and sales dropped back in most customers.

Operating profit reduced from £2.3m in 2020 to £0.5m in 2021. This was driven by the additional fixed operating costs of the larger site, the additional costs of running both the old and new sites in Bristol for much of the year, the costs of relocation from the old to the new site and the additional costs of running night shifts and overtime to fulfil demand during the lockdown in early 2021.

The Group continued to invest in new machinery at the new site during 2021 and asset funding of £3.2m was obtained in February 2021 to finance the investments.

In January 2021 the Group sold leasehold property for £2.2m and leased back the property for a 12 month period. The gain on the sale is reflected within Other Operating Income in the statements.

Principal risks and uncertainties

Financial Risk

The Group funds its business model using a combination of operational cash flow generation, an invoice discounting facility, a revolving credit facility under an agreement with its bank and lease finance. Long-term cashflow forecasts are reviewed regularly by management to ensure that sufficient liquidity will be available to meet the needs of the business.

To manage credit risk, management reviews credit ratings for all new customers before payment terms and credit limits are agreed. Existing customers credit ratings are also regularly reviewed. Amounts owed outside of normal payment terms are reviewed frequently by management and followed up in a timely manner with customers.

Currency and commodity price fluctuations

The business is exposed to foreign exchange risk. To mitigate risk associated with foreign exchange, management use foreign currency contracts with financial institutions to hedge against movements in exchange rates. The fair value of such contracts in relation to the prevailing spot rate at 31 December 2021 is immaterial for disclosure in the financial statements.

Additionally, the business has exposure to commodity price fluctuations which have increased through 2021 as a result of disruption caused by the COVID-19 pandemic. This risk is mitigated, but not eliminated by the use of long-term contracts with preferred suppliers ensuring that the Group can offer its key customers price stability in the short to medium term.

BART SPICES GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Brexit

Following the agreement of the Trade and Cooperation Agreement between the UK and the EU, the Group now has more certainty over the terms of its trade with EU suppliers and customers and has also established an Irish subsidiary through which it intends to start trading through during 2022.

This will enable the Group to be able to import into the EU single market and deliver directly to Irish customers where appropriate.

The introduction of sanitary and phytosanitary (SPS) checks on EU imports will now be delayed until the end of 2023 therefore there are no immediate risks of further delays at the border.

Loss of key contracts and delistings

This risk is mitigated by having strong, long-term contracted trading relationships with its key customers, who are principally blue-chip UK grocery retailers, and ensuring no reliance exists on a single customer or product range.

Compliance with food safety and quality regulations

The Group is required to comply with food safety and quality regulations in order to serve its customers and a large non-compliance issue could have a significant impact on the business.

The Directors and senior management of the Group are committed to maintaining and improving a strong culture of food safety and quality. Further information can be found in the Section 172 statement on page 3.

COVID-19

The COVID-19 pandemic has led to some disruption to the Group's supply chains and cost price inflation, which the Group is seeking to mitigate by increasing prices where appropriate and increasing safety stocks and lead times for deliveries.

Ukraine conflict

The Group has a small number of supply chains in which materials originate or could potentially originate from Russia and Ukraine. These are being risk assessed and all sourcing is being moved wherever feasible. In some cases, ingredients in recipes may need to be substituted and work has commenced on reviewing this. Safety stocks on certain materials are also being increased to mitigate against potential shortages later in 2022.

Key performance indicators

	Year ended December 2021	31 Year ended December 2020	31
Turnover	41,268	40,027	
Gross profit %	33.0%	35.3%	
Operating Profit £'000	492	2,335	
Add: Depreciation and amortisation £'000	2,104	1,058	
EBITDA £'000	2,596	3,393	
EBITDA %	6.3%	8.5%	
Bart brand market share (value)*	5.6%	5.6%	

* Source: NielsenIQ Scantrack 52 week value sales

The Group's overriding key performance indicator is EBITDA % (Earning before interest, tax, depreciation and amortisation which is defined as operating profit plus depreciation and amortisation). Non-recurring expenses and income are captured within EBITDA. In the year to 31st December 2021, this included a net gain of £1,145,351 on the disposal of tangible fixed assets (note 6).

EBITDA % and other key performance indicators used by the business are shown above.

BART SPICES GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Section 172 Statement

The directors of the Group have a duty to act in good faith in a way that is most likely to promote the success of the Group for the benefit of its members as a whole and doing so have regard to the matters below as detailed in section 172 of the Companies Act 2006:

- a. the likely consequences of any decision in the long term;
- b. the interests of the Group's employees;
- c. the need to foster the Group's business relationships with suppliers, customers and others;
- d. the impact of the Group's operations on the community and the environment;
- e. the desirability of the Group maintaining a reputation for high standards of business conduct; and
- f. the need to act fairly as between members of the Group.

The following paragraphs summarise how the directors fulfil their duties.

Consequences of any decisions in the long term

The board meets regularly throughout the year and considers the consequences of its decisions in the long term during those meetings. The board includes representation from Fuchs Gruppe and all material strategic decisions are considered for approval by the Fuchs Gruppe Advisory Board following recommendation by the board.

Following significant investment in 2020 into a new site and machinery, during 2021 the board approved further investment into new machinery. This is anticipated to improve the efficiency of the Group's operations and make the business more sustainable in the long term.

During the year, the board developed 'The Bart Way', a restatement of the Group's core business values, which focusses on the Group's core stakeholders and sustainability. This will be rolled out to employees during 2022.

Interest of the group's employees

The Directors regularly engage informally with employees and believe that the decision taken in 2020 to move to a larger site was in the best interests of both the Group and its employees in that it provided the company with the production capacity for further growth to secure its future.

The Group set up an Employee Council in 2021 which meets quarterly. Minutes of the meetings are distributed to the company's senior managers and action is taken where necessary.

The Group invests in its employees, supporting them to develop and retain the skills required for their roles and continually set higher standards for quality. In 2021 a new Long Service Award scheme was launched to recognise those employees with more than 10 years' experience at Bart.

In 2021 Bart became an accredited Living Wage employer, committing the company to paying a wage rate independently calculated to ensure employees receive a wage which meets everyday needs.

Following consultation with staff during the year, the company formalised flexible working arrangements for staff in roles which can be performed remotely.

BART SPICES GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Over the past two years, the Group has invested in training a number of Mental Health First Aiders to support employees' wellbeing on site, while also providing an Employee Assistance Plan through which employees can obtain confidential telephone support and counselling. We are active in raising awareness of mental health issues via regular communications and displays on-site.

Business relationships

The Group has a number of key customers, to whom it provides additional services including category management support and new product development. The long-term nature of these contractual relationships ensures that the business is sustainable, and the board can plan for the future with more certainty.

As Bart is a premium brand that supplies high-quality, authentic ingredients, our foodie consumers have high expectations. They rely on us to help them understand where the ingredients come from, why they taste better and how to use them in their cooking. We do this through multiple channels including events, sponsorship, advertising, PR, social media and our website. We also engage on a direct level through customer service via phone and email. We promote healthy eating and support dietary needs within our recipes to encourage our consumers to look after themselves. We also promote the togetherness of cooking, sharing with your family, cooking with friends and the beneficial impact of that on wellbeing.

Bart has also developed strategic partnerships with its suppliers, enabling the group to maintain and improve its high standards for quality, and reduce the risks inherent in a supply chain stretching around the world.

Community and environment

The Group takes an active approach to community relationships both in the local area and in the countries where our spices are grown.

Since 2013, Bart has supported the charity Frank Water which works to provide safe water, toilets and good hygiene to marginalised communities in India and Nepal. Over the years, our employees have raised funds by trekking mountains, running marathons, hiking coastal paths and rowing dragon boats across the UK. In 2020, we launched a range of Frank Water roasted curry masalas, from which we donate 10p from the sale of every tin to Frank Water.

In the local area, Bart donates herbs and spices to the Square Food Foundation. These are used in cookery lessons for disadvantaged youths in the Bristol area, providing them with skills so they can gain sustainable employment.

Bart is also supporting St Pauls Carnival in Bristol and its wider community outreach programme. The Carnival event has not happened for the last 2 years due to the pandemic, but they are planning this year's event and wider outreach programme for July 2022.

With the launch of 'The Bart Way' in 2022 the directors plan to make sustainability a key focus area for the future. This is the first year in which the Group has been required to report on its annual energy consumption and associated relevant greenhouse gas emissions and the company will also be undertaking the ESOS energy assessment scheme in 2022.

BART SPICES GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Reputation for high standards of business conduct

Bart sets high standards and enjoys a reputation for high quality products and processes. Following the move to the new site at Severn Beach, Bart maintained BRCGS certification at AA and all customer approvals for the production of private label products.

The Bart Ingredients Food Defence Team (FDT) is part of the technical management which ensures the integrity of goods traded by Bart Ingredients. In 2015 a review of the management resource identified the need for focussed attention on supplier and product understanding and from such developed the Plan-Do-Review strategy. The Food Defence Team has been developed to manage the 'Plan' elements of technical controls whilst the Technical Team manage the factory operational 'Do' elements. FDT, site technical and procurement meet every quarter at each respective Bart Ingredients site to review, refine and relentlessly improve the controls which help to provide the necessary due diligence defence for our customers and consumers. These controls include a rigorous supplier and product approval process, positive release testing of raw materials and monitoring of emerging hazards and risk factors.

Bart Ingredients undergoes SMETA (Sedex Member Ethical Trade Audits) assessments bi-annually which provides assurance to customers of the high standards of working conditions at our sites.

The Group is committed to ensuring that employees are trained in all areas necessary to enable them to maintain the high standards and quality we expect. All Production Operatives are trained to Level 2 Food Hygiene and Safety for Manufacturing within 3 months of joining the company, while those employees responsible for quality assurance are trained to level 3. Managers are trained in areas such as Modern Slavery, GDPR, Diversity and Inclusion and management of HR processes.

Acting fairly as between members of the group

All Group companies have only one shareholder and therefore the risk of acting unfairly between shareholders does not arise.

This report was approved by the board on **Sep 14, 2022** and signed on its behalf.

David Collard

David Collard (Sep 14, 2022 11:56 GMT+1)

DJ Collard
Director

BART SPICES GROUP HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Results and dividends

The loss for the year, after taxation, amounted to £47,078 (2020 -profit £1,684,978).

The directors have not recommended the payment of a dividend (2020 - none).

Directors

The directors who served during the year were:

DJ Collard

J Herden (resigned 30 June 2022)

Future developments

For the coming financial year, Management's strategic focus will remain on growing the brand, strengthening the Group's partnerships with those UK grocery retailers where it provides a strategic retailer-owned private label product offering and growing the contract manufacturing business with selected customers on a long-term contract basis. Operationally the focus will be on building up the Group's production capacity following significant investment in 2020 and 2021, to allow for further growth. Management believes the above strategy will in the medium to longer term allow the Group to generate further profitable growth, increase cash generation and enhance shareholder value.

Engagement with employees

This information is provided in the Section 172 statement on page 3.

Disabled employees

The Group values all its employees and ensures any disability will not prohibit employment or promotion within the Group. Disabled applicants are treated in the same way as other applicants and disability is not taken into account during the recruitment process.

If current employees become disabled during their employment, the Group endeavours to make reasonable adjustments to provide continuation of employment and offers as much support to employees as is reasonably practicable.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

BART SPICES GROUP HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Streamlined Energy & Carbon Reporting Scheme (SECR)**Energy and Emissions Summary**

The Group energy use and associated emissions are set out below. The data relates to emissions for the 12-month period 1 January 2021 to 31 December 2021.

	Units	Current Reporting Year (2021)
Emissions from combustion of gas (Scope 1)	tCO ₂ e	32.10
Emissions from combustion of fuel for transport purposes (Scope 1)	tCO ₂ e	197.78
Emissions from purchased electricity (Scope 2) – Location based grid factors	tCO ₂ e	427.11
Emissions from generation of electricity that is consumed in a transmission and distribution system for which the company does not own or control (Scope 3)	tCO ₂ e	37.80
Emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel (Scope 3)	tCO ₂ e	9.03
Total gross emissions	tCO ₂ e	703.81
Energy consumption used to calculate above emissions	kWh	2,992,216
Intensity measurement	Annual Turnover (£)	41,267,871
Intensity ratio	tCO ₂ e/£m turnover	17.05

Quantification and Reporting Methodology

The Group has followed the 2019 HM Government Environmental Reporting Guidelines and have used the 2021 UK Government's Conversion Factors for Company Reporting.

The primary source for electricity and gas consumption data is supplier invoices covering the 12-month period from January 2021 to December 2021. Where invoices have not received for the full 12 months, a pro rata calculation has been used to estimate the usage for the reporting period. LPG and gas oil data was collected from recorded usage throughout the reporting period, and company transport data was generated using recorded mileage from employees.

Intensity Ratio

The Group has chosen to use annual turnover for the intensity measurement. Formula used: Total Gross Emissions (tCO₂e) / Annual Turnover (£m)

Energy Efficiency Commentary

The Group continues to monitor and review their energy usage and associated carbon dioxide emissions.

In January 2021 the Group relocated to a new Bristol site and the old site was closed by the end of 2021. The new site is a newly built premises, with a smart meter installed, and is approximately 40% more efficient than the old site (based on like-for-like comparison of kWh usage).

BART SPICES GROUP HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

In the new site, all Group owned/leased vehicles using fossil fuels have been replaced or removed, with all forklift trucks being electric. Electric car and bike charging facilities have been installed and are available for use by employees.

The Group has entered into a green energy contract for the new site, generating 100% of electricity from renewable wind sources.

Auditors

The auditors, CLA Evelyn Partners Limited, (formerly Nexia Smith & Williamson Audit Limited) will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on **Sep 14, 2022** and signed on its behalf.

David Collard

David Collard (Sep 14, 2022 11:56 GMT+1)

DJ Collard
Director

BART SPICES GROUP HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BART SPICES GROUP HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BART SPICES GROUP HOLDINGS LIMITED

Opinion

We have audited the financial statements of Bart Spices Group Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated statement of comprehensive income, Consolidated and parent company balance sheets, Consolidated and parent company statement of changes in equity, Consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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.

Emphasis of Matter - Reliance on financial support

We draw attention to note 2.2 in the financial statements which describes the company and group's reliance on the support of the ultimate shareholder in relation to going concern. Our Opinion is not modified in respect of this matter.

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.

BART SPICES GROUP HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BART SPICES GROUP HOLDINGS LIMITED (CONTINUED)

Other information

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

Opinion 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 year 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.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, 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 the 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 company or to cease operations, or have no realistic alternative but to do so.

BART SPICES GROUP HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BART SPICES GROUP HOLDINGS LIMITED (CONTINUED)

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.

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 obtained a general understanding of the group's legal and regulatory framework through enquiry of management concerning their understanding of the relevant laws and regulations, the group's policies and procedures regarding compliance, and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the group's industry and regulation.

We understand that the group complies with the framework through:

- Outsourcing statutory accounts preparation and tax compliance to external experts.
- Subscribing to relevant updates from external experts, making changes to internal procedures and controls as necessary and as legal and regulatory requirements change including but not limited to changes to laws and regulations as specified and monitored by the British Retail Consortium and Food Hygiene standards.
- The Directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly and be considered at Board meetings.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the group's ability to conduct its business, and/or where there is a risk that failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the group:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.
- The Global Standard for Food Safety as monitored by the British Retail Consortium.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations identified above:

- Inspected correspondence with the British Retail Consortium regarding the outcome of inspections.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of the financial statements, especially revenue, via manual journal entries.
- Valuation of investments, as this is an estimate made by management.

BART SPICES GROUP HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BART SPICES GROUP HOLDINGS LIMITED (CONTINUED)

These areas were communicated to the other members of the engagement team not present at the discussion. The procedures we carried out to gain evidence in the above areas included:

- Testing a sample of revenue transactions to underlying documentation;
- Testing of a sample of manual journal entries, selected through applying specific risk assessments based on the group's processes and controls surrounding manual journal entries; and
- Challenging management regarding the assumptions used in the estimate identified above, including consultation with internal specialists.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

CLA Evelyn Partners Limited

Kelly Jones (Senior Statutory Auditor)

for and on behalf of

CLA Evelyn Partners Limited

Chartered Accountants
Statutory Auditors

Portwall Place
Portwall Lane
Bristol

Date: Sep 15, 2022

BART SPICES GROUP HOLDINGS LIMITED

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	41,267,871	40,026,828
Cost of sales		(27,645,540)	(25,888,388)
Gross profit		13,622,331	14,138,440
Administrative expenses		(14,423,357)	(11,813,612)
Other operating income	5	1,293,202	10,253
Operating profit	6	492,176	2,335,081
Interest receivable and similar income		4,880	4,902
Interest payable and similar expenses	10	(260,900)	(85,031)
Profit before tax		236,156	2,254,952
Tax on profit	11	(283,234)	(569,974)
(Loss)/profit and total comprehensive (expense)/income for the financial year		(47,078)	1,684,978
(Loss)/profit for the year attributable to:			
Owners of the parent		(47,078)	1,684,978
		(47,078)	1,684,978

The notes on pages 21 to 44 form part of these financial statements.

BART SPICES GROUP HOLDINGS LIMITED
REGISTERED NUMBER: 07225991

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible fixed assets	12	3,401,904	3,877,145
Tangible fixed assets	13	14,823,596	15,134,478
		<u>18,225,500</u>	<u>19,011,623</u>
Current assets			
Stocks	15	7,111,858	7,178,840
Debtors due after more than 1 year	16	279,310	281,037
Debtors due within 1 year	16	6,283,297	6,250,161
Cash at bank and in hand	17	1,363,389	1,917,105
		<u>15,037,854</u>	<u>15,627,143</u>
Creditors: amounts falling due within 1 year	18	(11,907,913)	(12,299,762)
Net current assets		<u>3,129,941</u>	<u>3,327,381</u>
Total assets less current liabilities		<u>21,355,441</u>	<u>22,339,004</u>
Creditors: amounts falling due after more than 1 year	19	(4,590,317)	(6,264,846)
Provisions for liabilities			
Deferred taxation	22	(1,179,173)	(540,767)
Other provisions	23	(2,258,447)	(2,158,809)
		<u>(3,437,620)</u>	<u>(2,699,576)</u>
Net assets		<u><u>13,327,504</u></u>	<u><u>13,374,582</u></u>
Capital and reserves			
Called up share capital	24	119,887	119,887
Share premium account	25	9,367,297	9,367,297
Capital redemption reserve	25	5,613,000	5,613,000
Profit and loss account	25	(1,772,680)	(1,725,602)
		<u>13,327,504</u>	<u>13,374,582</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on **Sep 14, 2022**.

DJ Collard
Director

David Collard
David Collard (Sep 14, 2022 11:56 GMT+1)

The notes on pages 21 to 44 form part of these financial statements.

BART SPICES GROUP HOLDINGS LIMITED
REGISTERED NUMBER: 07225991

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	14	16,136,052	19,908,677
Net assets		<u>16,136,052</u>	<u>19,908,677</u>
Capital and reserves			
Called up share capital	24	119,887	119,887
Share premium account	25	9,367,297	9,367,297
 Profit and loss account	 25	 6,648,868	 10,421,493
		<u>16,136,052</u>	<u>19,908,677</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on Sep 14, 2022

David Collard
David Collard (Sep 14, 2022 11:56 GMT+1)

DJ Collard
Director

The company's loss for the year ended 31 December 2021 was £3,772,625 (2020: £Nil)

The notes on pages 21 to 44 form part of these financial statements.

BART SPICES GROUP HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 January 2020	119,887	9,367,297	5,613,000	(3,410,580)	11,689,604
Comprehensive income for the year					
Profit for the year	-	-	-	1,684,978	1,684,978
At 1 January 2021	119,887	9,367,297	5,613,000	(1,725,602)	13,374,582
Comprehensive expense for the year					
Loss for the year	-	-	-	(47,078)	(47,078)
At 31 December 2021	119,887	9,367,297	5,613,000	(1,772,680)	13,327,504

The notes on pages 21 to 44 form part of these financial statements.

BART SPICES GROUP HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2020	119,887	9,367,297	10,421,493	19,908,677
At 1 January 2021	119,887	9,367,297	10,421,493	19,908,677
Comprehensive expense for the year				
Loss for the year	-	-	(3,772,625)	(3,772,625)
At 31 December 2021	119,887	9,367,297	6,648,868	16,136,052

The notes on pages 21 to 44 form part of these financial statements.

BART SPICES GROUP HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(47,078)	1,684,978
Adjustments for:		
Amortisation of intangible assets	483,391	510,211
Depreciation of tangible assets	1,620,815	547,333
Profit on disposal of tangible & intangible assets	(1,173,843)	11,820
Interest charges	260,900	85,031
Interest received	(4,880)	(4,902)
Taxation charge	283,234	569,974
Decrease/(increase) in stocks	66,982	(2,630,327)
(Increase) in debtors	(31,409)	(1,641,984)
(Decrease)/increase in creditors	(1,392,906)	8,779,558
Increase/(decrease) in amounts owed to groups	26,729	-
Increase in provisions	53,353	2,118,434
Corporation tax paid	(127,314)	(348,259)
Net cash generated from operating activities	17,974	9,681,867
Cash flows from investing activities		
Purchase of intangible fixed assets	(17,349)	(73,132)
Purchase of tangible fixed assets	(2,327,891)	(12,948,163)
Sale of tangible fixed assets	2,201,000	-
Interest received	4,880	4,902
Net cash used in investing activities	(139,360)	(13,016,393)

BART SPICES GROUP HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from financing activities		
New secured loans	3,000,000	4,000,573
Repayment of loans	(6,000,000)	(562,764)
New finance leases	3,185,554	472,164
Interest paid	(99,262)	(85,031)
Repayment of capital element on finance lease	(402,844)	-
Interest paid on hire purchases	(115,778)	-
Net cash (used in)/generated from financing activities	(432,330)	3,824,942
Net (decrease)/increase in cash and cash equivalents	(553,716)	490,416
Cash and cash equivalents at beginning of year	1,917,105	1,426,689
Cash and cash equivalents at the end of year	1,363,389	1,917,105
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,363,389	1,917,105
	1,363,389	1,917,105

The notes on pages 21 to 44 form part of these financial statements.

BART SPICES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Barts Spices Group Holdings Limited is a private limited company, limited by shares, incorporated and domiciled in England in the UK. The address of the registered office is Central Park, Goldcrest Way, Severn Beach, Bristol BS35 4GH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Income Statement in these financial statements.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have considered the future performance of the Group using forecasts of sales and anticipated costs until 2024. Different scenarios have been considered including the loss of any major customer contracts with an end date in the period 12 months from the date of approval of these financial statements. These showed that, provided the Group's financing arrangements were maintained at current levels, the Group had adequate resources to continue in operational existence for the foreseeable future.

At the date of approval, the Revolving Credit Facility (RCF) with BNP Paribas was due to expire during November 2022 and had not been formally renewed, although the process was underway and there were not anticipated to be any difficulties in renewing. In the situation that the RCF is not renewed, the Fuchs Gruppe has the ability to support the business and has provided a letter of support to the extent of the RCF cap of £7.4m, for a period of no less than 12 months from the date of the approval of these financial statements.

Accordingly, the directors have prepared the financial statements on a going concern basis.

BART SPICES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Basis of consolidation

The group financial statements incorporate the financial statements of the company and the entities controlled by the company (its subsidiary) prepared to 31 December each year. Control is achieved where the company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

All intra-group transactions and balances and any unrealised gains or losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

The Company has taken advantage of the exemption under section 408 of the Companies Act 2006 from publishing its individual income statement, statement of other comprehensive income and related notes.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Foreign currency translation

Functional and presentation currency

The Group's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

BART SPICES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

BART SPICES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.7 Intangible assets

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the business combination from which it arose.

Goodwill is amortised on a straight-line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be between 10 and 20 years which is the directors' assumption of the useful economic life of the business acquired.

Expenditure on brands is recognised in the Statement of Comprehensive Income as an expense as incurred.

Other intangible assets

Other intangible assets that are acquired by the group are stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of intangible assets acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

Amortisation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of the intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Patents and Trademarks - 10 to 20 years
- Software - 3 to 7 years

Goodwill and other intangible assets are tested for impairment in accordance with FRS 102 Section 27 Impairment of Assets when there is an indication that goodwill or an intangible asset may be impaired.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

BART SPICES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long leasehold property	- over 50 years
Leasehold property improvements	- over 15 years (lease term)
Plant and machinery	- 4-10 years
Motor vehicles	- 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

BART SPICES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.11 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Income Statement.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.12 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.13 Leased assets: the Group as lessor

Where assets leased to a third party give rights approximating to ownership (finance lease), the lessor recognises as a receivable an amount equal to the net investment in the lease i.e. the minimum lease payments receivable under the lease discounted at the interest rate implicit in the lease. This receivable is reduced as the lessee makes capital payments over the term of the lease.

A finance lease gives rise to two types of income: profit or loss equivalent to the profit or loss resulting from outright sale of the asset being leased, at normal selling prices, reflecting any applicable discounts, and finance income over the lease term.

BART SPICES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.14 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.15 Sale and leaseback

Where a sale and leaseback transaction results in a finance lease, no gain is immediately recognised for any excess of sales proceeds over the carrying amount of the asset. Instead, the proceeds are presented as a liability and subsequently measured at amortised cost using the effective interest method.

When a sale and leaseback transaction results in an operating lease, and it is clear that the transition is established at fair value any profit or loss is recognised immediately. If the sale price is below fair value, any profit or loss is recognised immediately unless the loss is compensated for by the future lease payments at below market price. In that case any such loss is amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is amortised over the period for which the asset is expected to be used.

2.16 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.17 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.18 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.19 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

BART SPICES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.20 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

BART SPICES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting price requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Estimation of useful economic life for assets and impairment

The useful lives of the group's assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. Changes to the useful lives could result in changes to the annual amortisation charges in the Statement of Comprehensive Income and carrying values of the assets.

The group assesses at each reporting date whether an asset may be impaired. If there is any such indication that the carrying amount may not be recoverable, the group estimates the recoverable amount of the asset. The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. If an impairment is required it is charged through the statement of comprehensive income.

Investment and impairment

Determining whether the investment is impaired requires an estimation of the value in use of the cash generating units to which the investment has been allocated. The value in use calculation requires the group to estimate the future cash flows expected to arise from the investment and apply a suitable discount rate and terminal growth rate in order to calculate the present value.

The directors have considered the impact of the current market on the assumptions used in the calculation of the investment impairment test and have identified an impairment of £3,772,625 (note 14). This has reduced the reserves held in the company's balance sheet.

Goodwill and impairment

The estimation of the useful life of goodwill which arises on business acquisitions represents management's view of the expected period of which the group will receive benefits from the assets.

The group assesses at each reporting date whether goodwill may be impaired. If there is any such indication that the carrying amount may not be recoverable, the group estimates the recoverable amount.

The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. If an impairment is required it is charged through the statement of comprehensive income.

Net realisable value of stock

The Group makes an estimate of the realisable values of stock which is based on assessments of current costs and prevailing market conditions. These are re-assessed annually and amended where necessary to reflect current estimates. Changes to these estimates could result in changes to profit or loss for the period and to the carrying value of the stock. At 31 December 2021, the Group's stock provision was £169,160 (2020 - £156,881).

BART SPICES GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Judgments in applying accounting policies (continued)**Dilapidations Provision**

Dilapidation provisions included in the financial statements are based on an estimation of the cost to be incurred in respect of the restoration works. Management have estimated the future liability based on quotes obtained for future expenditure required on leasehold property when the lease expires.

Estimation is made regarding the discount rate used in calculating the present value of the provision required as well as estimating the inflation rate that is likely to apply over the period of the lease to which the dilapidations provision pertains.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Sale of goods	<u>41,267,871</u>	<u>40,026,828</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	39,372,576	39,070,872
Rest of Europe	1,820,665	872,852
Rest of the world	74,630	83,104
	<u>41,267,871</u>	<u>40,026,828</u>

5. Other operating income

	2021 £	2020 £
Rent receivable	10,300	10,253
Disposal of Asset	1,260,645	-
Government Grants	22,257	-
	<u>1,293,202</u>	<u>10,253</u>

BART SPICES GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Operating profit

The operating profit is stated after charging/(crediting):

	2021 £	2020 £
Loss on disposal of Intangible fixed asset	9,199	-
(Gain)/ Loss on disposal of tangible fixed asset	(1,183,042)	11,819
Amortisation	483,390	510,211
Tangible fixed assets - depreciation	1,620,815	547,333
Other operating lease rentals	1,328,103	590,145
	<u>1,328,103</u>	<u>590,145</u>

7. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	5,100	4,170
	<u>5,100</u>	<u>4,170</u>

Fees payable to the Group's auditor and its associates in respect of:

Taxation compliance services	13,500	5,750
Taxation advisory services	3,700	6,570
The audit of the financial statements of the company's subsidiary	32,300	22,500
All other services	12,000	1,620
	<u>61,500</u>	<u>36,440</u>

BART SPICES GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	9,260,383	9,387,259	-	-
Social security costs	879,310	843,522	-	-
Cost of defined contribution scheme	257,540	258,301	-	-
	<u>10,397,233</u>	<u>10,489,082</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Production	189	198
Sales & Administration	64	69
	<u>253</u>	<u>267</u>

The Company has no employees other than the directors, who did not receive any remuneration (2020 -£NIL)

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	800,397	674,583
Directors pension costs	6,868	14,239
	<u>807,265</u>	<u>688,822</u>

The highest paid director received remuneration of £501,738 (2020 -£445,376).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2020 -£NIL).

BART SPICES GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	260,900	85,031
	<u>260,900</u>	<u>85,031</u>

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	-	232,152
Adjustments in respect of previous periods	(355,172)	3,069
Total current tax	<u>(355,172)</u>	<u>235,221</u>
Deferred tax		
Origination and reversal of timing differences	460,970	335,125
Adjustments in respect of prior periods	5,067	(372)
Tax rate change	172,369	-
Total deferred tax	<u>638,406</u>	<u>334,753</u>
Taxation on profit on ordinary activities	<u>283,234</u>	<u>569,974</u>

BART SPICES GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>236,156</u>	<u>2,254,952</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	44,870	428,441
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,917	35,361
Fixed asset differences	(267,458)	79,281
Adjustments in respect of previous periods	(355,172)	2,698
Remeasurement of deferred tax for changes in tax rates	283,002	24,193
Losses carried back	354,869	-
Income not taxable for tax purposes	(22,472)	-
Chargeable gains	235,079	-
Adjustments to tax charge in respect of previous periods - deferred tax	5,067	-
Other permanent differences	2,532	-
Total tax charge for the year	<u><u>283,234</u></u>	<u><u>569,974</u></u>

Factors that may affect future tax charges

Finance Bill 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% which is effective from 1 April 2023. The effects of this are included within the deferred tax balance above.

BART SPICES GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Intangible assets

Group

	Patents £	Computer software £	Goodwill £	Total £
Cost				
At 1 January 2021	330,817	708,478	12,675,000	13,714,295
Additions	-	17,349	-	17,349
Disposals	(10,668)	(25,756)	-	(36,424)
At 31 December 2021	<u>320,149</u>	<u>700,071</u>	<u>12,675,000</u>	<u>13,695,220</u>
Amortisation				
At 1 January 2021	262,595	632,100	8,942,455	9,837,150
Charge for the year on owned assets	16,916	28,573	437,902	483,391
On disposals	(2,015)	(25,210)	-	(27,225)
At 31 December 2021	<u>277,496</u>	<u>635,463</u>	<u>9,380,357</u>	<u>10,293,316</u>
Net book value				
At 31 December 2021	<u>42,653</u>	<u>64,608</u>	<u>3,294,643</u>	<u>3,401,904</u>
At 31 December 2020	<u>68,222</u>	<u>76,378</u>	<u>3,732,545</u>	<u>3,877,145</u>

BART SPICES GROUP HOLDINGS LIMITED

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13. Tangible fixed assets

Group

	Long leasehold property £	Leasehold property impr'ments £	Plant & machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2021	1,385,798	3,800,954	13,447,141	827	18,634,720
Additions	-	43,052	2,284,839	-	2,327,891
Disposals	(1,385,798)	-	(1,157,395)	(39)	(2,543,232)
At 31 December 2021	-	3,844,006	14,574,585	788	18,419,379
Depreciation					
At 1 January 2021	546,392	42,480	2,910,582	788	3,500,242
Charge for the year on owned assets	-	254,098	919,409	-	1,173,507
Charge for the year on financed assets	-	-	447,308	-	447,308
Disposals	(546,392)	-	(978,882)	-	(1,525,274)
At 31 December 2021	-	296,578	3,298,417	788	3,595,783
Net book value					
At 31 December 2021	-	3,547,428	11,276,168	-	14,823,596
At 31 December 2020	839,406	3,758,474	10,536,559	39	15,134,478

Leased plant and machinery

At 31 December 2021 the net carrying amount of plant and machinery leased under a finance lease was £3,916,116 (2020: £566,612).

The leased equipment secures the finance lease obligation (see Note 21).

On 4 January 2021 the long leasehold property and the associated plant and machinery for Unit 1 & Unit 2, York Road, Bedminster was sold with a gain on disposal of £1,260,645 being recognised within the Statement of Comprehensive Income. The property was leased back by the company for a 12 month period. This has been recognised within operating leases.

Security

Bart Ingredients Co. Ltd has given security to the group's bankers in respect of loan financing and this includes a fixed charge over the property included in fixed assets.

BART SPICES GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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14. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	19,908,677
Impairment	(3,772,625)
At 31 December 2021	<u>16,136,052</u>

The impairment loss recognised in the year was £3,772,625 (2020: £NIL) in relation to the investment held in The Bart Ingredients Co. Limited.

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
The Bart Ingredients Co. Limited	Central Park, Goldcrest Way, Severn Beach, Bristol BS35 4GH	Ordinary £1	100%

The aggregate of the share capital and reserves as at 31 December 2021 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
The Bart Ingredients Co. Limited	10,253,699	553,375

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15. Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Raw materials and consumables	4,727,871	3,698,566	-	-
Work in progress	9,721	9,569	-	-
Finished goods and goods for resale	2,374,266	3,470,705	-	-
	<u>7,111,858</u>	<u>7,178,840</u>	<u>-</u>	<u>-</u>

Raw materials and consumables recognised as cost of sales in the year amounted to £22,800,960 (31 December 2020: £20,810,510). The write-down of stocks to net realisable value amounts to £169,160 (31 December 2020: £156,881). The write-down is included in cost of sales.

The total carrying amount of stocks pledged as security for liabilities in the year amounted to £7,111,858. (2020: £7,178,840).

16. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due after more than one year				
Leases and prepayments receivable	279,310	281,037	-	-
	<u>279,310</u>	<u>281,037</u>	<u>-</u>	<u>-</u>
Due within one year				
Trade debtors	4,897,691	4,894,020	-	-
Other debtors	353,968	848,422	-	-
Corporation tax repayable	502,496	20,010	-	-
Prepayments and accrued income	529,142	487,709	-	-
	<u>6,562,607</u>	<u>6,531,198</u>	<u>-</u>	<u>-</u>

17. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	1,363,389	1,917,105	-	-

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18. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans	1,000,148	-	-	-
Trade creditors	3,897,072	5,862,336	-	-
Invoice financing	2,547,785	2,557,226	-	-
Amounts owed to group companies	68,136	41,407	-	-
Other taxation and social security	192,162	217,364	-	-
Obligations under finance lease and hire purchase contracts	487,174	67,227	-	-
Other creditors	176,505	168,999	-	-
Accruals and deferred income	3,538,931	3,385,203	-	-
	<u>11,907,913</u>	<u>12,299,762</u>	<u>-</u>	<u>-</u>

The invoice financing facility is secured on 90% of the group's trade debtors.

19. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans	-	4,000,573	-	-
Net obligations under finance leases and hire purchase contracts	2,783,090	420,327	-	-
Other creditors	1,551,177	1,669,453	-	-
Accruals and deferred income	256,050	174,493	-	-
	<u>4,590,317</u>	<u>6,264,846</u>	<u>-</u>	<u>-</u>

The bank loan is secured by way of a charge in favour of BNP Paribas over the assets of the group.

BART SPICES GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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20. Loans

Analysis of the maturity of loans is given below:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts falling due within one year				
Bank loans	1,000,148	-	-	-
Amounts falling due 1-2 years				
Bank loans	-	4,000,573	-	-
	<u>1,000,148</u>	<u>4,000,573</u>	<u>-</u>	<u>-</u>

Repayments in the year totalled £6,000,000. These were paid in February 2021: £4,000,000, November 2021: £750,000 and December 2021: £1,250,000

Drawdowns on the loan in the year totalled £3,000,000. The drawdowns were made in May 2021: £1,000,000, June 2021: £500,000, July 2021: £500,000, September 2021: £750,000 and October 2021: £250,000.

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Within one year	487,174	67,227	-	-
Between 1-5 years	2,696,988	420,327	-	-
Over 5 years	86,302	-	-	-
	<u>3,270,464</u>	<u>487,554</u>	<u>-</u>	<u>-</u>

BART SPICES GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

22. Deferred taxation

Group

	2021 £	2020 £
At beginning of year	(540,767)	(206,014)
Utilised in year	(638,406)	(334,753)
At end of year	(1,179,173)	(540,767)

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Fixed asset timing differences	(1,250,215)	(579,806)	-	-
Short term timing differences	71,042	39,039	-	-
	(1,179,173)	(540,767)	-	-

23. Provisions

Group

	Dilapidation provisions £
At 1 January 2021	2,158,809
Expensed Additions	53,353
Discounting Unwinding	46,285
At 31 December 2021	2,258,447

This is expected to be settled at the end of the lease term in 2036. There are no provisions in respect of the Company.

BART SPICES GROUP HOLDINGS LIMITED

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24. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
85,000 (2020 -85,000) A Ordinary shares of £0.01 each	850	850
21,250 (2020 -21,250) B Ordinary shares of £0.01 each	213	213
16,000 (2020 -16,000) C Ordinary shares of £0.01 each	160	160
417,740 (2020 -417,740) D Ordinary shares of £0.06 each	25,064	25,064
1,300,000 (2020 -1,300,000) Preferred A Ordinary shares of £0.01 each	13,000	13,000
5,040,197 (2020 -5,040,197) Preferred B Ordinary shares of £0.01 each	50,402	50,402
1,513,985 (2020 -1,513,985) Preferred C Ordinary shares of £0.01 each	15,140	15,140
1,505,818 (2020 -1,505,818) Preferred D Ordinary shares of £0.01 each	15,058	15,058
	119,887	119,887

The shares are ranked in the following order: (i) Preferred A Ordinary shares, (ii) Preferred B Ordinary shares, (iii) Preferred C Ordinary shares, (iv) Preferred D Ordinary shares, (v) D ordinary shares, (vi) C ordinary shares, (vii) A ordinary shares, (viii) B ordinary shares. The A ordinary shareholders hold 75% of all votes and the D ordinary shareholders hold 25% of all votes. The shares also have differing redemption values in the event of the sale of the Company.

25. Reserves**Share premium account**

The share premium account represents the difference between the par value of the share issued and the subscription or issue price.

Capital redemption reserve

On 28 August 2018, DF World of Spices GmbH approved the write-off of loans totalling £5,613,000 which had been owed to them by the Group. At the time, DF World of Spices GmbH held a controlling interest in the Group and the directors considered it unlikely that a similar write-off would have been permitted by an unrelated third party. As such, the write-off was recognised as a contribution of capital to the Group by DF World Spices GmbH and a capital contribution reserve was recognised accordingly.

Profit and loss account

Accumulated retained profit less any equity dividends paid.

BART SPICES GROUP HOLDINGS LIMITED

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26. Analysis of net debt

	At 1 January 2021 £	Cash flows £	New finance leases £	At 31 December 2021 £
Cash at bank and in hand	1,917,105	(553,715)	-	1,363,390
Debt due after 1 year	(4,000,573)	4,000,573	-	-
Debt due within 1 year	(2,557,226)	(990,707)	-	(3,547,933)
Finance leases	(487,554)	402,844	(3,185,554)	(3,270,264)
	<u>(5,128,248)</u>	<u>2,858,995</u>	<u>(3,185,554)</u>	<u>(5,454,807)</u>

27. Financial instruments

	Group 2021 £	Group 2020 £
Financial assets		
Financial assets measured at amortised cost	<u>5,754,155</u>	<u>5,762,452</u>
Financial liabilities		
Liabilities at amortised cost	<u>(16,306,068)</u>	<u>(18,347,244)</u>

Financial assets measured at amortised cost comprise debtors other than prepayments.

Other financial liabilities measured at amortised cost comprise creditors other than taxation.

28. Capital commitments

At 31 December 2021 the Group had capital commitments as follows:

	Group 2021 £	Group 2020 £
Contracted for but not provided in these financial statements	<u>163,965</u>	<u>130,036</u>
	<u>163,965</u>	<u>130,036</u>

The company had no capital commitments (2020: £NIL).

BART SPICES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

29. Commitments under operating leases

At 31 December 2021 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £
Not later than 1 year	1,358,075	1,523,113
Later than 1 year and not later than 5 years	4,683,296	4,788,128
Later than 5 years	9,045,585	10,067,946
	<u>15,086,956</u>	<u>16,379,187</u>

The company had no operating lease commitments (2020: £NIL).

30. Related party transactions

During the year consultancy fees of £Nil (2020: £1,695) were paid to PT Category Consulting Limited, a company which is controlled by a spouse of one of the directors.

During the year sponsorship payments of £Nil (2020: £6,000) were made to Chinnor Rugby Football Club of which one of the directors was a director.

Transactions with Key Management Personnel

During the year salaries and social security costs of £1,138,948 were paid out to key management personnel (2020: £967,331)

There were no amounts outstanding at year end in respect of any of the transactions noted above.

31. Controlling party

The ultimate controlling party is DF World of Spices GmbH by virtue of its majority shareholding in Bart Spices Group Holdings Limited, the ultimate UK parent company. The largest group in which the results of the company are consolidated is that headed by DF World of Spices GmbH. DF World of Spices GmbH is incorporated in Germany and its registered address is Dieter-Fuchs-Straße 10, 49201 Dissen, Germany.