

Registered number: 07225991

BART SPICES GROUP HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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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 auditor	CLA Evelyn Partners Limited Chartered Accountants & Statutory Auditors Portwall Place Portwall Lane BS1 6NA 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 2022

Introduction

The directors present their strategic report for the year ended 31 December 2022.

Business review

In the year ended 31 December 2022, the Group's turnover decreased by 0.1% to £41.2m. The slight reduction in turnover was driven by lower sales than the prior year in the first few months of 2022, where the comparison period was significantly increased by the COVID-19 lockdown in the UK. In the final eight months of the year turnover increased by 7% year on year as a result of both sales volume increases and price increases.

The Group operating profit reduced from a profit of £0.5m in 2021 to a loss of £1.8m in 2022. In 2021 a gain on the sale of property of £1.2m was included in the operating profit for the year therefore the comparable operating loss figure excluding the gain in 2021 is a loss of £0.7m. The 2022 loss was largely driven by cost increases on raw materials and changes in the mix of sales.

The Group completed its investment programme at the new site in Severn Beach during 2022 and turned its focus to improving efficiencies across the operation.

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 2022 is immaterial for disclosure in the financial statements.

Additionally, the business has exposure to commodity price fluctuations which continued to increase through 2022 as a result of higher energy prices, continuing disruption to supply chains caused by the COVID-19 pandemic and the Russian invasion of Ukraine. This risk is mitigated to some degree by the use of long-term contracts with preferred suppliers but the cost inflation in the market currently being seen has resulted in significant increases in material prices. The Group has sought to increase sales prices where possible to mitigate this cost inflation and continues to do so in 2023.

BART SPICES GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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.

Availability of labour and skills

The UK labour market tightened during 2022 following the end of the Covid-19 restrictions and the Group found it more challenging to recruit staff at all levels. We have made significant investments in our people over the past year, including both pay and training and development and will continue to do so in order to mitigate this risk.

Conflict in Ukraine

The war in Ukraine continues to create disruption within supply chains and pressures on inflation. Over the past year the Group has changed its sourcing of some materials and held additional safety stocks to mitigate against potential disruption and shortages.

Key performance indicators

	Year ended December 2022	31 Year ended December 2021	31
Turnover £'000	41,219	41,628	
Gross profit %	30.2%	33.0%	
Operating (loss)/Profit £'000	(1,765)	492	
Add: Depreciation and amortisation £'000	2,215	2,104	
EBITDA £'000	450	2,596	
EBITDA %	1.1%	6.3%	
Employee survey - % of employees rating Bart as a 'Great Place to Work'	72%	-	
Carbon footprint (scope 1 and 2 tCO ₂ e)	620.93	659.87	

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 are captured within EBITDA. In the year to 31 December 2022 there were no significant one-off expenses (2021 – £1.15m gain from the sale of leasehold property). 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 2022

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.

During 2022 the board developed the 'Bart Future' strategic project, which is closely aligned with and part of our parent group's project 'Fuchs Future'. This focuses holistically on long-term strategies for sustainable growth, and includes the five pillars of Governance, Workers, Community, Environment and Customers.

The board have worked on 5 commitments that the business will work towards and share progress on each year. The 5 commitments are 1) Signed commitment letter to SBTi and a net zero ambition. 2) All of our primary product packaging on the brands that we own to be 100% recyclable across our business by the end of 2024. 3) 100% of our sourced paper & board to be sustainably sourced (FSC certified) by the end of 2025. 4) Commitment to UN SDG goal 12.3 to halve food waste in our operations by 2030. 5) Commitment to at least 30% of supervisory and management positions across the business continuing to be occupied by females.

Interest of the group's employees

The group has an Employee Council which meets quarterly. Minutes of the meetings are distributed to the group's directors and action is taken where necessary. In 2022 we also launched an Employee Survey, which was responded to by 52% of employees. 78% of respondents said they enjoyed working at Bart Ingredients and 72% rated the Group as a Great Place to Work which we were pleased with. The survey provided a number of areas where improvements could be made and the Board will be taking action on these.

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. We have a Long Service Award scheme to recognise those employees with more than 10 years' experience at Bart.

The Group is 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. We are also committed to flexible working arrangements where roles allow for this.

BART SPICES GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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.

Bart has continued to support the food industry charity Grocery Aid and gained its silver award for its continued support. Our employees can access financial, practical, and emotional support provided by Grocery Aid. Awareness of this support is raised through 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.

The group has a strong reputation built upon the foundations of the Bart brand which holds a premium positioning and is known for its high-quality, authentic ingredients, targeted at 'foodie' consumers. The business continues to invest in consumer, shopper and category insight to support future growth with its customers.

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.

Bart has invested in the digital future of the 'Bart' brand following a spike in demand for online direct to consumer sales. This involved re-developing the direct-to-consumer website and improving the experience for customers, making it easier to transact and therefore facilitate future branded growth online.

Community and environment

Bart has continued to play an active role in supporting the local community of Bristol with four partners (Frank Water, Square Food Foundation, St Paul's Carnival, and Fareshare).

Bart has supported the Bristol based charity Frank Water since 2013. Their purpose is to provide safe water, toilets and good hygiene to marginalised communities in India and Nepal. In 2022 we raised £10,000 through the sale of Bart branded products and 33 hours of employee time to participate in events throughout the year.

Bart donates its resources and herbs and spices to Bristol based charity the Square Food Foundation. These are used in cookery lessons for disadvantaged youths, providing them with skills so they can gain sustainable employment. Bart donated 25 hours of employee expertise and provided use of its development kitchen to host its training school.

Bart supported St Pauls Carnival in Bristol and its wider community outreach programme and 14 hours of employee time was donated.

Bart and Fareshare Bristol continue to work together to ensure that edible food does not go to waste. We donated 1,500 Bart Manipur Masala tins and recipe ideas to assist in using up vegetables that would have otherwise gone to waste.

Our Newbury site lease was renewed with the landlord Greenham Trust who are a charitable organisation providing grants to charities within a 20 mile radius of Market Place, Newbury.

BART SPICES GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

We recognise the impact that the food industry has on the environment, communities, and people and that it is our responsibility to do things in a way that limits our impact. We believe that sustainability should be at the heart of every business decision and is a way of doing business that has a positive impact on our environment and society. Working closely with our parent company Fuchs Gruppe we have developed our sustainability strategy which has 5 pillars (responsible workplace, responsible sourcing, responsible in our community, responsible resources, responsible products). The strategy has led the business to begin mapping its scope 3 emissions in addition to measuring its scope 1 and 2 emissions. Progress has also been made regarding science-based targets, which we anticipate committing to in 2023.

Reputation for high standards of business conduct

Bart sets high standards and enjoys a reputation for high quality products and processes. Both production sites are certified to BRCGS AA* standard.

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 28/09/2023 and signed on its behalf.

Samantha Walker

SH Walker
Director

BART SPICES GROUP HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Results and dividends

The loss for the year, after taxation, amounted to £1,659,229 (2021 - £47,078).

The directors have not recommended the payment of a dividend (2021 - none).

Directors

The directors who served during the year were:

DJ Collard
SH Walker (appointed 1 July 2022)
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 the past few years, 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.

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

BART SPICES GROUP HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Streamlined Energy & Carbon Reporting Scheme (SECR)

Energy and Emissions Summary

The Group's energy use and associated emissions are set out below. The data relates to emissions for the 12-month period 1 January 2022 to 31 December 2022.

	Units	Current Reporting Year (2022)	Comparative Reporting Year (2021)
Emissions from combustion of gas (Scope 1)	tCO ₂ e	211.91	226.62
Emissions from combustion of fuel for transport purposes (Scope 1)	tCO ₂ e	2.70	6.14
Emissions from purchased electricity (Scope 2) – Location based grid factors	tCO ₂ e	406.32	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	37.17	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	11.23	9.03
Total gross emissions	tCO ₂ e	669.33	706.70
Energy consumption used to calculate above emissions	kWh	3,048,595	3,005,671
Intensity measurement	Annual Turnover (£)	41,218,643	41,267,871
Intensity ratio	tCO ₂ e/£m turnover	16.24	17.12

Correction of SECR data for 2021

An error has been identified in the data for the prior reporting year, and a correction has been made in this year's report. This has resulted in an increase in scope 1 emissions from gas combustion of 194.52, whilst there is a reduction in scope 1 emissions from fuel for transport of 191.64. The net result is an additional 2.89 tCO₂e recognised in the report for 2021. This is consistent with the calculations for 2022.

Quantification and Reporting Methodology

The Group has followed the 2019 HM Government Environmental Reporting Guidelines and have used the 2022 UK Government's Conversion Factors for Group Reporting.

The primary source for electricity and gas consumption data is supplier invoices covering the 12-month period from January 2022 to December 2022. Where invoices have not been received for the full 12 months, the Group has estimated annual consumption using data received from meter readings. LPG and gas oil data was collected from recorded usage throughout the reporting period, and group 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)

BART SPICES GROUP HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Energy Efficiency Commentary

The Group continues to monitor and review their energy usage and associated carbon dioxide emissions. Bart intends to commit to science-based targets and achieving net zero, and as a result is identifying strategies to reduce the scope 1, 2, and 3 emissions detailed above. For more information on the Group's future and environmental strategy, refer to the Section 172 Statement on page 3.

The Group is signed up to a green energy contract for our Bristol site, generating 100% of electricity from renewable wind sources; and provides electric car and bike charging facilities for use by employees.

During the year, a number of improvements have been made at our Newbury site to improve both energy, and operational efficiency. Primarily, the site has a reduced shift pattern and opening hours whilst maintaining the same levels of output and service. In addition, the majority of lighting on site has been switched from fluorescent tubes to more efficient, and longer lasting, LED lighting. Approximately 80% of lighting is now LED with the remaining 20% to be switched over once due for replacement, and along with this, motion sensors have been added to communal areas to save energy. Finally, there are improvements to the building insulation following a minor refit of the factory including improved factory flooring and carpeting to the office areas. As a result of these measures, energy consumption at our Newbury site has lowered by approximately 15% compared to 2021, leading to a reduction in emissions of 49 tCO₂e.

Auditor

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

This report was approved by the board on 28/09/2023 and signed on its behalf.

Samantha Walker

SH Walker
Director

BART SPICES GROUP HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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.

INDEPENDENT AUDITOR'S 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 2022 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 2022 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.

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 group and parent 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 AUDITOR'S 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 AUDITOR'S 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 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 as legal and regulatory requirements change including but not limited 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 are 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 in respect of the principal activity of the group.

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 group'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.
- Stock provision and valuation of investments as these are estimates made by management.

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:

BART SPICES GROUP HOLDINGS LIMITED

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

- 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 estimates identified above, including consultation with internal specialists where appropriate.

Overall, the senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities.

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

BS1 6NA

Date: 29/09/2023

BART SPICES GROUP HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	41,218,643	41,267,871
Cost of sales		(28,763,616)	(27,645,540)
Gross profit		12,455,027	13,622,331
Administrative expenses		(14,230,179)	(14,423,357)
Other operating income	5	9,657	1,293,202
Operating (loss)/profit	6	(1,765,495)	492,176
Interest receivable and similar income		5,508	4,880
Interest payable and similar expenses	10	(384,278)	(260,900)
(Loss)/profit before tax		(2,144,265)	236,156
Tax on (loss)/profit	11	485,036	(283,234)
Loss and total comprehensive expense for the financial year		(1,659,229)	(47,078)
Loss for the year attributable to:			
Owners of the parent		(1,659,229)	(47,078)
		(1,659,229)	(47,078)

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 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible fixed assets	12	2,953,281	3,401,904
Tangible fixed assets	13	13,824,307	14,823,596
		<u>16,777,588</u>	<u>18,225,500</u>
Current assets			
Stocks	15	10,180,800	7,111,858
Debtors due after more than 1 year	16	230,784	279,310
Debtors due within 1 year	16	6,345,121	6,283,297
Cash at bank and in hand	17	2,171,825	1,363,389
		<u>18,928,530</u>	<u>15,037,854</u>
Creditors: amounts falling due within 1 year	18	(13,789,800)	(11,907,913)
Net current assets		<u>5,138,730</u>	<u>3,129,941</u>
Total assets less current liabilities		<u>21,916,318</u>	<u>21,355,441</u>
Creditors: amounts falling due after more than 1 year	19	(7,169,101)	(4,590,317)
Provisions for liabilities			
Deferred taxation	22	(690,143)	(1,179,173)
Other provisions	23	(2,388,799)	(2,258,447)
		<u>(3,078,942)</u>	<u>(3,437,620)</u>
Net assets		<u><u>11,668,275</u></u>	<u><u>13,327,504</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	(3,431,909)	(1,772,680)
		<u><u>11,668,275</u></u>	<u><u>13,327,504</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28/09/2023

SH Walker *Samantha Walker*
Director

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 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	14	15,661,771	16,136,052
Net assets		15,661,771	16,136,052
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	 6,174,587	 6,648,868
		15,661,771	16,136,052

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Samantha Walker

SH Walker
Director

Date: 28/09/2023

The company's loss for the year ended 31 December 2022 was £474,281 (2021: £3,772,625)

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 2022**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
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 1 January 2022	119,887	9,367,297	5,613,000	(1,772,680)	13,327,504
Comprehensive expense for the year					
Loss for the year	-	-	-	(1,659,229)	(1,659,229)
At 31 December 2022	119,887	9,367,297	5,613,000	(3,431,909)	11,668,275

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 2022**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
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 1 January 2022	119,887	9,367,297	6,648,868	16,136,052
Comprehensive expense for the year				
Loss for the year	-	-	(474,281)	(474,281)
At 31 December 2022	119,887	9,367,297	6,174,587	15,661,771

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 2022

	2022 £	2021 £
Cash flows from operating activities		
(Loss) for the financial year	(1,659,229)	(47,078)
Adjustments for:		
Amortisation of intangible assets	487,171	483,391
Depreciation of tangible assets	1,727,885	1,620,815
Loss/(Profit) on disposal of tangible & intangible assets	5,228	(1,173,843)
Interest charges	384,278	260,900
Interest received	(5,508)	(4,880)
Taxation (credit)/charge	(485,035)	283,234
(Increase)/decrease in stocks	(3,068,942)	66,982
(Increase) in debtors	(13,299)	(31,409)
Increase/(decrease) in creditors	2,034,324	(1,392,906)
Increase in amounts owed to groups	167,123	26,729
Increase in provisions	59,301	53,353
Corporation tax received/(paid)	492,204	(127,314)
Net cash generated from operating activities	125,501	17,974
Cash flows from investing activities		
Purchase of intangible fixed assets	(39,674)	(17,349)
Purchase of tangible fixed assets	(901,354)	(2,327,891)
Sale of tangible fixed assets	168,656	2,201,000
Interest received	5,508	4,880
Net cash used in investing activities	(766,864)	(139,360)

BART SPICES GROUP HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from financing activities		
New secured loans	4,000,000	3,000,000
Repayment of loans	(1,750,000)	(6,000,000)
New finance leases	-	3,185,554
Interest paid	(195,059)	(99,262)
Repayment of capital element on finance lease	(486,974)	(402,844)
Interest paid on hire purchases	(118,168)	(115,778)
Net cash generated/(used in) from financing activities	<u>1,449,799</u>	<u>(432,330)</u>
Net increase/(decrease) in cash and cash equivalents	<u>808,436</u>	<u>(553,716)</u>
Cash and cash equivalents at beginning of year	1,363,389	1,917,105
Cash and cash equivalents at the end of year	<u><u>2,171,825</u></u>	<u><u>1,363,389</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,171,825	1,363,389
	<u><u>2,171,825</u></u>	<u><u>1,363,389</u></u>

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 2022

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 December 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 the Group had adequate resources to continue in operational existence for the foreseeable future.

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

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.

BART SPICES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

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 2022

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 2022

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 2022

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:

Leasehold property improvements	- over 10 to 15 years (lease term)
Plant and machinery	- over 4 to 15 years
Motor vehicles	- over 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 weighted average 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 2022

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 2022

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 2022

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 2022

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

The preparation of financial statements in conformity with generally accepted accounting practice 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 £474,281 (2021 - £3,772,625). See note 14 for further details.

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. No impairment has been recognised in the year (2021 - £nil).

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 2022, the Group's stock provision was £251,966 (2021 - £169,160).

BART SPICES GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. Judgments in applying accounting policies (continued)**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. See note 23.

4. Turnover

	2022 £	2021 £
Sale of goods	<u>41,218,643</u>	<u>41,267,871</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	38,008,316	39,372,576
Rest of Europe	3,143,794	1,820,665
Rest of the world	66,533	74,630
	<u>41,218,643</u>	<u>41,267,871</u>

5. Other operating income

	2022 £	2021 £
Rent receivable	858	10,300
Disposal of Asset	8,799	1,260,645
Government Grants	-	22,257
	<u>9,657</u>	<u>1,293,202</u>

BART SPICES GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Operating (loss)/profit

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

	2022	2021
	£	£
Loss on disposal of Intangible fixed asset	1,126	9,199
Loss/(Gain) on disposal of tangible fixed asset	4,102	(1,183,042)
Amortisation	487,171	483,390
Depreciation	1,727,885	1,620,815
Other operating lease rentals	1,201,758	1,328,103

7. Auditor's remuneration

	2022	2021
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	9,390	5,100

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

Taxation compliance services	11,150	13,500
Taxation advisory services	1,410	3,700
The audit of the financial statements of the company's subsidiary	41,000	32,300
All other services	11,727	12,000
	65,287	61,500

BART SPICES GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Employees

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	8,738,606	9,260,383	-	-
Social security costs	850,907	879,310	-	-
Cost of defined contribution scheme	263,102	257,540	-	-
	<u>9,852,615</u>	<u>10,397,233</u>	<u>-</u>	<u>-</u>

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

	2022 No.	2021 No.
Production	151	189
Sales & Administration	58	64
	<u>209</u>	<u>253</u>

The Company has no employees other than the directors, who did not receive any remuneration (2021 - £NIL)

9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	804,464	800,397
Directors pension costs	10,589	6,868
	<u>815,053</u>	<u>807,265</u>

The highest paid director received remuneration of £450,392 (2021 - £501,738).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2021 - £NIL).

BART SPICES GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	384,278	260,900
	<u>384,278</u>	<u>260,900</u>

11. Taxation

	2022 £	2021 £
Corporation tax		
Adjustments in respect of previous periods	4,425	(355,172)
Total current tax	<u>4,425</u>	<u>(355,172)</u>
Deferred tax		
Origination and reversal of timing differences	(490,353)	460,970
Adjustments in respect of prior periods	892	5,067
Tax rate change	-	172,369
Total deferred tax	<u>(489,461)</u>	<u>638,406</u>
Taxation on (loss)/profit on ordinary activities	<u>(485,036)</u>	<u>283,234</u>

BART SPICES GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

The tax assessed for the year is lower than (2021 - *lower than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
(Loss)/profit on ordinary activities before tax	<u>(2,144,265)</u>	<u>236,156</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(407,410)	44,870
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9,601	2,917
Fixed asset differences	65,220	(267,458)
Adjustments in respect of previous periods	4,425	(355,172)
Remeasurement of deferred tax for changes in tax rates	(137,511)	283,002
Losses carried back	-	354,869
Income not taxable for tax purposes	(22,644)	(22,472)
Chargeable gains	-	235,079
Adjustments to tax charge in respect of previous periods - deferred tax	892	5,067
Other permanent differences	2,391	2,532
Total tax charge for the year	<u>(485,036)</u>	<u>283,234</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 2022**

12. Intangible assets

Group

	Patents £	Computer software £	Goodwill £	Total £
Cost				
At 1 January 2022	320,149	700,071	12,675,000	13,695,220
Additions	4,923	34,751	-	39,674
Disposals	-	(5,612)	-	(5,612)
At 31 December 2022	<u>325,072</u>	<u>729,210</u>	<u>12,675,000</u>	<u>13,729,282</u>
Amortisation				
At 1 January 2022	277,496	635,463	9,380,357	10,293,316
Charge for the year on owned assets	16,861	32,409	437,901	487,171
On disposals	-	(4,486)	-	(4,486)
At 31 December 2022	<u>294,357</u>	<u>663,386</u>	<u>9,818,258</u>	<u>10,776,001</u>
Net book value				
At 31 December 2022	<u>30,715</u>	<u>65,824</u>	<u>2,856,742</u>	<u>2,953,281</u>
At 31 December 2021	<u>42,653</u>	<u>64,608</u>	<u>3,294,643</u>	<u>3,401,904</u>

BART SPICES GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Tangible fixed assets

Group

	Long leasehold property improvements £	Plant & machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2022	3,844,006	14,574,585	788	18,419,379
Additions	7,345	894,009	-	901,354
Disposals	-	(976,820)	-	(976,820)
At 31 December 2022	<u>3,851,351</u>	<u>14,491,774</u>	<u>788</u>	<u>18,343,913</u>
Depreciation				
At 1 January 2022	296,578	3,298,417	788	3,595,783
Charge for the year on owned assets	255,453	1,002,206	-	1,257,659
Charge for the year on financed assets	-	470,226	-	470,226
Disposals	-	(804,062)	-	(804,062)
At 31 December 2022	<u>552,031</u>	<u>3,966,787</u>	<u>788</u>	<u>4,519,606</u>
Net book value				
At 31 December 2022	<u>3,299,320</u>	<u>10,524,987</u>	<u>-</u>	<u>13,824,307</u>
At 31 December 2021	<u>3,547,428</u>	<u>11,276,168</u>	<u>-</u>	<u>14,823,596</u>

Leased plant and machinery

At 31 December 2022 the net carrying amount of plant and machinery leased under a finance lease was £3,447,912 (2021: £3,916,116).

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

Security

Bart Ingredients Co. Ltd has given security to the group's bankers in respect of loan financing.

BART SPICES GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	19,908,677
At 31 December 2022	19,908,677
Impairment	
At 1 January 2022	3,772,625
Charge for the period	474,281
At 31 December 2022	4,246,906

The carrying value of the investment at 31 December 2022 is £15,661,771 (2021: £16,136,052). The impairment loss recognised in the year was £474,281 (2021: £3,772,625) 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 2022 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	8,935,422	(1,318,277)

BART SPICES GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

15. Stocks

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Raw materials and consumables	6,310,301	4,727,871	-	-
Work in progress	28,121	9,721	-	-
Finished goods and goods for resale	3,842,378	2,374,266	-	-
	<u>10,180,800</u>	<u>7,111,858</u>	<u>-</u>	<u>-</u>

Stock recognised in cost of sales during the year as an expense was £24,356,362 (2021 - £22,800,960).

A stock provision of £251,966 (2021 -£169,610) has been recognised at the year end due to slowmoving and obsolete stock.

The total carrying amount of stocks pledged as security for liabilities in the year amounted to £10,180,800 (2021: £7,111,858).

16. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due after more than one year				
Leases and prepayments receivable	230,784	279,310	-	-
	<u>230,784</u>	<u>279,310</u>	<u>-</u>	<u>-</u>
Due within one year				
Trade debtors	4,819,672	4,897,691	-	-
Amounts owed by related undertakings	6,375	-	-	-
Other debtors	502,258	353,968	-	-
Corporation tax repayable	-	502,496	-	-
Prepayments and accrued income	1,016,816	529,142	-	-
	<u>6,575,905</u>	<u>6,562,607</u>	<u>-</u>	<u>-</u>

BART SPICES GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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17. Cash and cash equivalents

	Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£
Cash at bank and in hand	2,171,825	1,363,389	-	-

18. Creditors: Amounts falling due within one year

	Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£
Bank loans	-	1,000,148	-	-
Trade creditors	6,408,812	3,897,072	-	-
Invoice financing	3,004,324	2,547,785	-	-
Amounts owed to related companies	235,258	68,136	-	-
Other taxation and social security	268,879	192,162	-	-
Obligations under finance lease and hire purchase contracts	506,396	487,174	-	-
Other creditors	208,143	176,505	-	-
Accruals and deferred income	3,157,988	3,538,931	-	-
	13,789,800	11,907,913	-	-

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 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£
Bank loans	3,255,656	-	-	-
Net obligations under finance leases and hire purchase contracts	2,276,894	2,783,090	-	-
Other creditors	1,636,551	1,551,177	-	-
Accruals and deferred income	-	256,050	-	-
	7,169,101	4,590,317	-	-

The bank loan is secured by way of a charge in favour of BNP Paribas over the assets of the group and also a guarantee at first demand provided by the parent DF World of Spices GmbH.

BART SPICES GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

20. Loans

Analysis of the maturity of loans is given below:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due within one year				
Bank loans	-	1,000,148	-	-
	<u>-</u>	<u>1,000,148</u>	<u>-</u>	<u>-</u>
Amounts falling due 2-5 years				
Bank loans	3,255,656	-	-	-
	<u>3,255,656</u>	<u>1,000,148</u>	<u>-</u>	<u>-</u>

Repayments in the year totalled £1,750,000. These were paid in February 2022: £500,000, April 2022: £500,000, November 2022: £500,000 and December 2022: £250,000

Drawdowns on the loan in the year totalled £4,000,000. The drawdowns were made in February 2022: £1,000,000, May 2022: £250,000, July 2022: £750,000, August 2022: £750,000, September 2022: £500,000, October 2022: £250,000, and December 2022: £500,000.

The facility expiry date is 17 November 2025.

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Within one year	506,397	487,174	-	-
Between 1-5 years	2,190,562	2,696,988	-	-
Over 5 years	86,302	86,302	-	-
	<u>2,783,261</u>	<u>3,270,464</u>	<u>-</u>	<u>-</u>

BART SPICES GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

22. Deferred taxation

Group

	2022 £	2021 £
At beginning of year	(1,179,173)	(540,767)
Utilised in year	489,030	(638,406)
At end of year	(690,143)	(1,179,173)

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Fixed asset timing differences	(696,236)	(1,250,215)	-	-
Short term timing differences	6,093	71,042	-	-
	(690,143)	(1,179,173)	-	-

23. Provisions

Group

	Dilapidation provisions £
At 1 January 2022	2,258,447
Expensed Additions	59,301
Discounting Unwinding	71,051
At 31 December 2022	2,388,799

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

24. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
85,000 (2021 - 85,000) A Ordinary shares of £0.01 each	850	850
21,250 (2021 - 21,250) B Ordinary shares of £0.01 each	213	213
16,000 (2021 - 16,000) C Ordinary shares of £0.01 each	160	160
417,740 (2021 - 417,740) D Ordinary shares of £0.06 each	25,064	25,064
1,300,000 (2021 - 1,300,000) Preferred A Ordinary shares of £0.01 each	13,000	13,000
5,040,197 (2021 - 5,040,197) Preferred B Ordinary shares of £0.01 each	50,402	50,402
1,513,985 (2021 - 1,513,985) Preferred C Ordinary shares of £0.01 each	15,140	15,140
1,505,818 (2021 - 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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

26. Analysis of net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	1,363,390	808,435	2,171,825
Debt due after 1 year	-	(3,255,656)	(3,255,656)
Debt due within 1 year	(3,547,933)	543,609	(3,004,324)
Finance leases	(3,270,264)	486,974	(2,783,290)
	<u>(5,454,807)</u>	<u>(1,416,638)</u>	<u>(6,871,445)</u>

27. Capital commitments

At 31 December 2022 the Group had capital commitments as follows:

	Group 2022 £	Group 2021 £
Contracted for but not provided in these financial statements	46,458	163,965
	<u>46,458</u>	<u>163,965</u>

The company had no capital commitments (2021: £NIL).

28. Commitments under operating leases

At 31 December 2022 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £
Not later than 1 year	1,406,169	1,358,075
Later than 1 year and not later than 5 years	4,524,727	4,683,296
Later than 5 years	8,040,520	9,045,585
	<u>13,971,416</u>	<u>15,086,956</u>

The company had no operating lease commitments (2021: £NIL).

BART SPICES GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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29. Related party transactions

All related party transactions that occurred within the year were with companies which were 100% owned by DF World of Spices GmbH.

During the year no other related party transactions were noted.

Transactions with Key Management Personnel

During the year salaries and social security costs of £1,299,620 were paid out to key management personnel (2021 - £1,138,948).

30. Controlling party

The ultimate controlling party is Dieter Fuchs Stiftung 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. Both Dieter Fuchs Stiftung and DF World of Spices GmbH are registered in Germany. Dieter Fuchs Stiftung and DF World of Spices GmbH registered address is Dieter-Fuchs-Straße 10, 49201 Dissen, Germany.