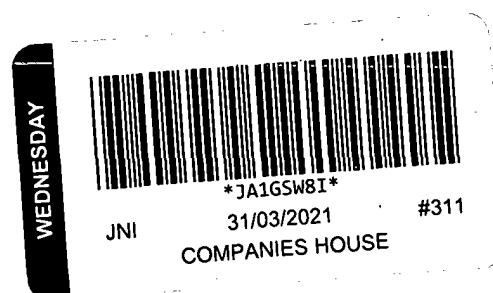


**Irish Biscuits (N.I.) Limited**

**Annual Report and Financial Statements**

**for the year ended 31 December 2019**

Registered No: NI 7475



**Irish Biscuits (N.I.) Limited**

**Annual report and financial statements  
For the year ended 31 December 2019**

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## **IRISH BISCUITS (N.I.) LIMITED**

### **Officers and professional advisers**

#### **Directors**

Mr M Oldham  
Ms HJ McCarthy

#### **Company Secretary**

Mr M Oldham

#### **Registered office**

PO Box 3  
Hillsborough  
Co Down  
BT26 6JU

#### **Registered Auditors**

Ernst & Young LLP  
Bedford House  
16 Bedford Street  
Belfast  
BT2 7DT

#### **Bankers**

Danske Bank  
PO Box 183  
Donegal Square West  
Belfast  
BT1 6JS

#### **Solicitors**

Johns Elliot  
40 Linenhall Street  
Belfast  
BT2 8BA

## **IRISH BISCUITS (N.I.) LIMITED**

### **Directors' Report for the year ended 31 December 2019**

The Directors present their report for the year ended 31 December 2019.

#### **Results, dividends and reserves**

The Directors do not recommend the payment of a dividend (2018: £nil).

#### **Directors**

The Directors who served the company during the year are shown on page 2.

#### **Going concern**

At 31 December 2019 the company had net current liabilities of £81,000 (2018: net current liabilities of £108,000), which included a net amount of £385,000 (2018: £385,000) owed to group undertakings, which at that time was repayable on demand. In February 2021 these amounts were waived.

As part of an agreement to sell the Company's parent undertaking W&R Jacob & Co (Northern Ireland) Limited (see below) the company will enter into a logistics supply agreement and related agreements with United Biscuits Limited, a subsidiary of the Company's current ultimate owners. Under the terms of these agreements the purchaser will be unable to use the assets of the Company as security for any borrowings during a period which extends to 15 months after the completion of the sale. Completion of the sale and entering into the logistics supply and related agreements is expected by 30 April 2021.

The Directors have considered the impact of COVID-19 on the Company's financial performance and cash flows for the period to 31 March 2022, including modelling severe sensitivities that consider the risk of reductions in revenues due to more adverse trading conditions. The Directors' assessment has also included considering the impact of the planned sale of the Company's parent undertaking W&R Jacob & Co (Northern Ireland) Limited on the Company's activities, financial performance, trading agreements and financing arrangements. The Directors' financial forecasts and sensitivities show the Company is expected to continue to be cash generative, will not require additional financing following the sale, and it will continue to meet its obligations as they fall due until 31 March 2022. Consequently, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Events after the reporting period**

The outbreak of the COVID-19 pandemic occurred post year end and therefore is a non-adjusting event. To date the impact on business operations has been minimal, with the Company experiencing an increase in sales of some of its product lines throughout periods of lockdown.

In February 2021 amounts owed by and to group undertakings at 31 December 2019 of £495,000 and £880,000, respectively, were waived

On 19 February 2021 all of the shares of the Company's parent undertaking W&R Jacob & Co (Northern Ireland) Limited were agreed to be sold to Maloret Limited, with completion of the sale expected by 30 April 2021. In connection with the sale the Company will enter into a logistics supply agreement and related agreements with United Biscuits Limited, a subsidiary of the Company's current owners. The directors' consideration of the impact of the sale on the ability of the Company to continue as a going concern is set above.

#### **Political donations**

There were no political donations during 2019 (2018: £nil).

#### **Disclosure of information to auditors**

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make him/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Auditors**

In accordance with s485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

**IRISH BISCUITS (N.I.) LIMITED**

**Directors' Report (continued)  
for the year ended 31 December 2019**

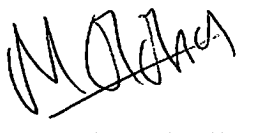
**Small company exemptions**

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

**Strategic report**

The directors have not prepared a strategic report as the company is entitled to the special provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'M Oldham', is written over a faint, rectangular grid or stamp.

Mr M Oldham  
Company Secretary

Date: 31 March 2021

Registration No: NI 7475

Registered office:  
PO Box 3  
Hillsborough  
Co Down  
BT26 6JU

## **IRISH BISCUITS (N.I.) LIMITED**

### **Director's Responsibilities Statement**

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRISH BISCUITS (N.I.) LIMITED**

### **Opinion**

We have audited the financial statements of Irish Biscuits (N.I.) Limited for the year ended 31 December 2019 which comprise the Statement of comprehensive income, the Statement of changes in equity, the Balance Sheet and the related notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework".

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its profit 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 below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

### **Other information**

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRISH BISCUITS (N.I.) LIMITED (continued)**

### **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which 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 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirements to prepare a strategic report.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

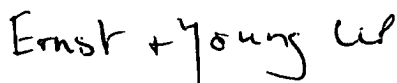
### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Christie (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Belfast  
Date: 31 March 2021

**IRISH BISCUITS (N.I.) LIMITED****Statement of comprehensive income  
for the year ended 31 December 2019****Registered No: NI 7475**

		<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
	<b>Notes</b>		
<b>Turnover</b>	<b>3</b>	<b>2,213</b>	<b>2,326</b>
Cost of sales		<b>(1,853)</b>	<b>(1,924)</b>
<b>Gross profit</b>		<b>360</b>	<b>402</b>
Distribution costs		<b>(351)</b>	<b>(325)</b>
Administrative expenses		<b>(10)</b>	<b>(14)</b>
<b>Operating (loss) / profit</b>	<b>4</b>	<b>(1)</b>	<b>63</b>
Interest receivable and similar income	<b>5</b>	<b>19</b>	<b>17</b>
<b>Profit before taxation</b>		<b>18</b>	<b>80</b>
Tax credit	<b>8</b>	<b>-</b>	<b>37</b>
<b>Profit for the financial year</b>		<b>18</b>	<b>117</b>
Other comprehensive income		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>18</b>	<b>117</b>

All the company's results were attributable to continuing activities.

**IRISH BISCUITS (N.I.) LIMITED****Statement of changes in equity  
for year ended 31 December 2019****Registered No: NI 7475**

	<i>Share Capital £'000</i>	<i>Share Premium £000</i>	<i>Revaluation reserve £000</i>	<i>Profit &amp; Loss Account £'000</i>	<i>Total Equity £000</i>
At 1 January 2018	28	387	163	(565)	13
Total comprehensive income for the year	-	-	-	117	117
Transfers	-	-	(163)	163	-
<b>At 31 December 2018</b>	<b>28</b>	<b>387</b>	<b>-</b>	<b>(285)</b>	<b>130</b>
Total comprehensive income for the year	-	-	-	18	18
<b>At 31 December 2019</b>	<b>28</b>	<b>387</b>	<b>-</b>	<b>(267)</b>	<b>148</b>

**IRISH BISCUITS (N.I.) LIMITED**
**Balance Sheet  
at 31 December 2019**
**Registered No: NI 7475**

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
<b>Fixed assets</b>					
Tangible assets	9		229		238
<b>Current assets</b>					
Stock	10	142		209	
Debtors	11	893		1,174	
Cash at bank and in hand		518		504	
		<u>1,553</u>		<u>1,887</u>	
<b>Creditors: amounts due within one year</b>	12	<u>(1,634)</u>		<u>(1,995)</u>	
<b>Net current liabilities</b>			<u>(81)</u>		<u>(108)</u>
<b>Total assets less current liabilities</b>			<u>148</u>		<u>130</u>
<b>Net assets</b>			<u>148</u>		<u>130</u>
<b>Capital and reserves</b>					
Share capital	13		28		28
Share premium	14		387		387
Revaluation reserve	14		-		-
Profit and loss account	14		(267)		(285)
<b>Shareholders' funds</b>			<u>148</u>		<u>130</u>

These financial statements were approved by the Board of Directors on 31 March 2021 and were signed on its behalf by:



Mr M Oldham  
Director

## **IRISH BISCUITS (N.I.) LIMITED**

### **Notes to the financial statements for the year ended 31 December 2019**

#### **1. Authorisation of financial statements and statement of compliance with FRS 101**

The financial statements of Irish Biscuits (N.I.) Limited (the “Company”) for the year ended 31 December 2019 were authorised for issue by the board of directors on 31 March 2021 and the balance sheet was signed on the board’s behalf by Mr M Oldham. Irish Biscuits (N.I.) Limited is a company limited by shares incorporated and domiciled in Northern Ireland.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

Irish Biscuits (N.I.) Limited is a qualifying entity under FRS 101 as it is a member of a group of which the parent, Pladis Foods Limited, prepares publically available consolidated financial statements which are intended to give a true and fair view. Irish Biscuits (N.I.) Limited is included within these consolidated financial statements. These consolidated financial statements may be obtained from Pladis Foods Limited, Hayes Park, Hayes End Road, Hayes, Middlesex UB4 8EE.

The company’s financial statements are presented in Sterling, which is also the company’s functional currency, and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The principal accounting policies adopted by the company are set out in note 2.

#### **2. Principal accounting policies**

##### **Basis of preparation**

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2019.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IFRS 7 Financial Instruments Disclosures;
- (b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- (c) the requirements of IAS 7 Statement of Cash Flows;
- (d) the requirements of paragraphs 10(d), 16, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements;
- (e) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (f) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- (g) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (h) the requirement in paragraph 38 of IAS 1 ‘Presentation of Financial Statements’ to present comparative information in respect of paragraph 79(a) (iv) of IAS 1 and paragraph 73(e) of IAS 16 Property, Plant and Equipment: and
- (i) the requirements of paragraphs 110, 113 (a), 114, 118, 119 (a) - (c), 120 – 127, 129 of IFRS 15 Revenue from Contracts with Customers.

The company adopted IFRS 16 ‘Leases’ (‘IFRS 16’) for the first time in current year. IFRS 16 replaces IAS 17 ‘Leases’ for annual periods beginning on or after 1 January 2019, and sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. The company has applied IFRS 16 using the full retrospective approach. As the company has no leases the adoption of IFRS 16 from 1 January 2019 has had no impact on the company’s financial statements.

## **IRISH BISCUITS (N.I.) LIMITED**

### **Notes to the financial statements for the year ended 31 December 2019**

#### **2. Principal accounting policies (continued)**

##### **Going concern**

At 31 December 2019 the company had net current liabilities of £81,000 (2018: net current liabilities of £108,000), which included a net amount of £385,000 (2018: £385,000) owed to group undertakings, which at that time was repayable on demand. In February 2021 these amounts were waived.

As part of an agreement to sell the Company's parent undertaking W&R Jacob & Co (Northern Ireland) Limited (see note 18) the company will enter into a logistics supply agreement and related agreements with United Biscuits Limited, a subsidiary of the Company's current ultimate owners. Under the terms of these agreements the purchaser will be unable to use the assets of the Company as security for any borrowings during a period which extends to 15 months after the completion of the sale. Completion of the sale and entering into the logistics supply and related agreements is expected by 30 April 2021.

The Directors have considered the impact of COVID-19 on the Company's financial performance and cash flows for the period to 31 March 2022, including modelling severe sensitivities that consider the risk of reductions in revenues due to more adverse trading conditions. The Directors' assessment has also included considering the impact of the planned sale of the Company's parent undertaking W&R Jacob & Co (Northern Ireland) Limited on the Company's activities, financial performance, trading agreements and financing arrangements. The Directors' financial forecasts and sensitivities show the Company is expected to continue to be cash generative, will not require additional financing following the sale, and it will continue to meet its obligations as they fall due until 31 March 2022. Consequently, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is undiscounted and based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

##### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the profit and loss account in the period of derecognition.

##### **Depreciation**

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- Freehold property 2% straight line
- Equipment, plant and machinery 7-33% and 5% straight line

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date and where adjustments are required these are made prospectively.

## **IRISH BISCUITS (N.I.) LIMITED**

### **Notes to the financial statements for the year ended 31 December 2019**

#### **2. Principal accounting policies (continued)**

##### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, and other costs in bringing them to their existing location and condition. Net realisable value is based on estimated selling price, net of trade discounts, less any further costs expected to be incurred to completion and disposal.

##### **Foreign currency**

Transactions in foreign currencies are initially translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

## **IRISH BISCUITS (N.I.) LIMITED**

### **Notes to the financial statements for the year ended 31 December 2019**

#### **2. Principal accounting policies (continued)**

##### **Revenue Recognition**

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods. The company has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue from the distribution of biscuits and other goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product.

All revenue recognised in the year relates to performance obligations satisfied in the year.

While the performance obligation is satisfied upon delivery of the product, payment is generally due within 30 to 60 days from delivery, with the related amount recognised as a trade debtor until payment is received from the customer.

The company has no material contract assets or liabilities other than trade debtors as disclosed in note 11.

##### **Employee benefits**

###### *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

###### *Termination benefits*

Termination benefits are recognised as an expense when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

##### **Interest receivable**

Interest income is recognised in profit or loss as it accrues, using the effective interest method.

##### **Provisions for liabilities**

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

## IRISH BISCUITS (N.I.) LIMITED

### Notes to the financial statements for the year ended 31 December 2019

#### 2. Principal accounting policies (continued)

##### Financial assets

###### *Initial recognition and measurement*

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI) or fair value through profit or loss. Currently the company does not have any financial assets that are not measured at amortised cost. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them.

At initial recognition the company measures financial assets at fair value plus (in the case of a financial asset not at fair value through profit or loss) transaction costs that are directly attributable to the acquisition of the financial asset.

###### *Subsequent measurement*

The company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate method (EIR). Gains and losses are recognised in profit or loss when the asset is derecognised.

The company's financial assets at amortised cost includes include cash at bank and in hand, trade debtors, other debtors and amounts owed by group undertakings.

###### *Impairment of financial assets*

The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade debtors, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

###### *De-recognition of financial assets*

A financial asset is derecognised when (i) the rights to receive cash flows from the asset have expired or (ii) the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## **IRISH BISCUITS (N.I.) LIMITED**

### **Notes to the financial statements for the year ended 31 December 2019**

#### **2. Principal accounting policies (continued)**

##### **Financial liabilities**

The company's financial liabilities comprise trade creditors, amounts owed to group undertakings and accruals.

##### *Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

##### *Subsequent measurement*

The measurement of financial liabilities classified as interest bearing loans and borrowings is as follows:

- After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.
- Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

##### *De-recognition of financial liabilities*

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in the income statement.

##### **Impairment of non-financial assets excluding stocks and deferred assets**

The carrying amounts of the company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

##### **Significant accounting judgements, estimates and assumptions**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

In the course of preparing the company's financial statements, no judgements have been made in the process of applying the company's accounting policies and there are no critical accounting judgements or estimates which are expected to have a significant effect on amounts recognised in the financial statements within the next year.

**IRISH BISCUITS (N.I.) LIMITED****Notes to the financial statements for the year ended 31 December 2019****3. Turnover**

The turnover and results relate to the company's main activity which is carried out in the United Kingdom and Ireland.

	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
Sale of goods	<b>2,213</b>	2,326
Total turnover	<b>2,213</b>	<b>2,326</b>

**4. Operating (loss) / profit**

Operating (loss) / profit is stated after charging / (crediting):

	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
Depreciation	<b>9</b>	8
Auditors' remuneration: Audit of these financial statements	<b>16</b>	14

There were no non audit services provided by the auditors in 2019 (2018: £nil)

**5. Interest receivable and similar income**

	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
Interest on loan to fellow group undertaking	<b>19</b>	17
	<b>19</b>	<b>17</b>

## **IRISH BISCUITS (N.I.) LIMITED**

### **Notes to the financial statements for the year ended 31 December 2019**

#### **6. Directors' emoluments**

M Oldham and H McCarthy's remuneration was paid by United Biscuits (UK) Limited, by whom they are employed. The amount of their remuneration in respect of services as directors of the company are considered as negligible.

#### **7. Employee information**

The average number of persons employed by the company during the year was:

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Management	<b>1</b>	<b>1</b>
Administration and sales	<b>5</b>	<b>5</b>
Distribution	<b>6</b>	<b>6</b>
	<b>12</b>	<b>12</b>

The aggregate payroll costs of these persons were as follows:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	<b>304</b>	<b>321</b>
Social security costs	<b>26</b>	<b>26</b>
Other pension costs	<b>18</b>	<b>19</b>
	<b>348</b>	<b>366</b>

# IRISH BISCUITS (N.I.) LIMITED

## Notes to the financial statements for the year ended 31 December 2019

### 8. Taxation

#### (a) Analysis of tax charge in year

	2019 £000	2018 £000
<i>Current tax</i>		
Current tax on income for the period	-	-
Adjustments in respect of prior periods	-	51
<b>Total current tax credit</b>	<b>-</b>	<b>51</b>
<i>Deferred tax (c)</i>		
Adjustment in respect of previous periods	-	(14)
<b>Total deferred tax</b>	<b>-</b>	<b>(14)</b>
<b>Total tax credit</b>	<b>-</b>	<b>37</b>

#### (b) Reconciliation of tax credit

The current tax (charge) / credit for the year is lower (2018: higher) than the standard rate of corporation tax in the United Kingdom of 19% (2018: 19%). The difference is explained below:

	2019 £'000	2018 £'000
<b>Profit before tax</b>	<b>18</b>	<b>80</b>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	3	15
<i>Effects of:</i>		
Group relief	(5)	(11)
Permanent differences	2	(5)
Adjustments to tax charge in respect of previous periods	-	38
<b>Total tax credit</b>	<b>-</b>	<b>37</b>

#### (c) Elements of Deferred tax

The deferred tax asset (Note 11) arises from the following:

	1 January 2019 £'000	Recognised in profit and loss	31 December 2019
Decelerated capital allowances	2	-	2

#### (d) Factors that may affect future tax charges

The Finance Bill 2016 enacted a reduction in corporation tax rate to 17% with effect from 1 April 2020, this was the rate at which deferred tax was provided in the 2019 accounts. The Finance Bill 2020 confirmed that the rate of corporation tax would remain at the rate of 19% from 1 April 2020 (cancelling the enacted cut to 17%). As this change was enacted after year end by the passing of Budget Resolution on 17 March 2020, no adjustment has been included in the accounts. The impact of this rate change on the company's deferred tax assets at 31 December 2019 is immaterial.

# IRISH BISCUITS (N.I.) LIMITED

## Notes to the financial statements for the year ended 31 December 2019

### 9. Tangible fixed assets

	Land and buildings £'000	Equipment, plant and machinery £'000	Total £'000
<i>Cost or valuation</i>			
At 1 January 2019	460	647	1,107
Additions	-	-	-
<b>At 31 December 2019</b>	<b>460</b>	<b>647</b>	<b>1,107</b>
<i>Accumulated depreciation</i>			
At 1 January 2019	222	647	869
Charge for the year	9	-	9
<b>At 31 December 2019</b>	<b>231</b>	<b>647</b>	<b>878</b>
<i>Net book value</i>			
<b>At 31 December 2019</b>	<b>229</b>	<b>-</b>	<b>229</b>
At 1 January 2019	238	-	238

### 10. Stocks

	2019 £'000	2018 £'000
Goods for resale	142	209
	<b>142</b>	<b>209</b>

### 11. Debtors

	2019 £'000	2018 £'000
Trade debtors	203	249
Amounts owed by group undertakings	619	865
Other debtors	69	58
Prepayments and accrued income	-	-
Deferred tax asset (Note 8)	2	2
	<b>893</b>	<b>1,174</b>

Amounts owed by and to group undertakings at 31 December 2019 of £495,000 and £880,000 respectively, were waived in February 2021.

## IRISH BISCUITS (N.I.) LIMITED

### Notes to the financial statements for the year ended 31 December 2019

#### 12. Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	332	395
Amounts owed to group undertakings	1,236	1,555
Other taxes and social security costs	2	-
Accruals and deferred income	64	45
Corporation tax	-	-
	<u>1,634</u>	<u>1,995</u>

Amounts owed by and to group undertakings at 31 December 2019 of £495,000 and £880,000 respectively, were waived in February 2021.

#### 13. Authorised, issued and called up share capital

	2019 £'000	2018 £'000
<i>Authorised</i>		
30,000 ordinary 'A' shares at £1 each	30	30
20,000 ordinary 'B' shares at £1 each	20	20
	<u>50</u>	<u>50</u>

	2019 No.	2019 £'000	2018 No.	2018 £'000
<i>Allotted, called up and fully paid</i>				
Ordinary 'A' shares at £1 each	25,000	25	25,000	25
Ordinary 'B' shares at £1 each	3,000	3	3,000	3
	<u>28,000</u>	<u>28</u>	<u>28,000</u>	<u>28</u>

The 'A' shares rank pari passu with the 'B' ordinary shares save as regards dividends where directors are at liberty to declare dividends to either 'A' or 'B' class without declaring dividends to the other. The holders of shares are entitled to one vote per share at meetings of the company.

#### 14. Reserves

*Share capital:* comprises the nominal value of ordinary shares issued.

*Share premium:* comprises the excess of consideration received over nominal value of ordinary shares issued.

*Revaluation reserve:* comprises the surplus or deficit arising on the valuation of assets.

*Profit and loss account:* comprises cumulative comprehensive income and losses less equity dividends paid.

## **IRISH BISCUITS (N.I.) LIMITED**

### **Notes to the financial statements for the year ended 31 December 2019**

#### **15. Ultimate parent undertaking and immediate parent company**

Irish Biscuits (N.I.) Limited is a 100% subsidiary of W&R Jacob & Co (Northern Ireland) Limited, a company incorporated in Northern Ireland.

Yildiz Holdings AS, incorporated in Turkey, is considered to be the ultimate parent company and controlling party at 31 December 2019. The largest group in which the company's financial statements are included in is Pladis Foods Limited and the smallest group is UMV Global Foods Holding Company Limited. The consolidated financial statements of these groups are available to the public and may be obtained from Pladis, Hayes Park, Hayes End Road, Hayes, Middlesex UB4 8EE. Note 18 refers to the details of the agreed sale of the shares of the Company's parent undertaking W&R Jacob & Co (Northern Ireland) Limited to Maloret Limited post year end.

#### **16. Capital commitments**

At 31 December 2019, amounts contracted for but not provided in the financial statements for the acquisition of property, plant and equipment amounted to £nil (2018: nil).

#### **17. Off-balance sheet arrangements**

There are no other material off-balance sheet arrangements.

#### **18. Events after the reporting period**

The outbreak of the COVID-19 pandemic occurred post year end and therefore is a non-adjusting event. To date the impact on business operations has been minimal, with the Company experiencing an increase in sales of some of its product lines throughout periods of lockdown.

In February 2021 amounts owed by and to group undertakings at 31 December 2019 of £495,000 and £880,000, respectively, were waived

On 19 February 2021 all of the shares of the Company's parent undertaking W&R Jacob & Co (Northern Ireland) Limited were agreed to be sold to Maloret Limited, with completion of the sale expected by 30 April 2021. In connection with the sale the Company will enter into a logistics supply agreement and related agreements with United Biscuits Limited, a subsidiary of the Company's current owners. The directors' consideration of the impact of the sale on the ability of the Company to continue as a going concern is set out in note 2.