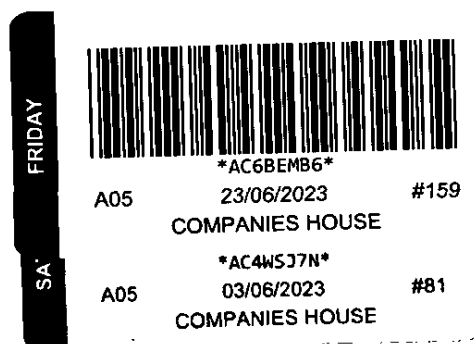


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Group Strategic Report, Report of the Directors and  
Audited Consolidated Financial Statements for the Year Ended 31st December 2021  
for  
Vibrant Foods Limited



Vibrant Foods Limited

Contents of the Consolidated Financial Statements  
for the Year Ended 31st December 2021

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Vibrant Foods Limited

Company Information  
for the Year Ended 31st December 2021

**DIRECTORS:**

M E Hall  
N J Pike

**REGISTERED OFFICE:**

Building 3 Croxley Park  
Watford  
Hertfordshire  
WD18 8YG

**REGISTERED NUMBER:**

11995168 (England and Wales)

**INDEPENDENT AUDITORS:**

PricewaterhouseCoopers LLP  
One Chamberlain Square  
Birmingham, B3 3AX

## Vibrant Foods Limited

### Group Strategic Report for the Year Ended 31st December 2021

The directors present their strategic report of the company and the group for the year ended 31st December 2021.

#### **INTRODUCTION**

The Strategic Report has been prepared by the Directors to provide additional information in respect of the Group's strategies and business objectives.

The Strategic report contains forward-looking statements, which have been made in good faith by the Directors based on information available up to the point of approval of this report. Therefore, there are inherent uncertainties involved in making these statements, including both economic and business risk factors.

#### **BUSINESS MODEL**

The Group of Vibrant Foods Limited comprises several brands operating as a wholesale & retail business both within the UK and export primarily to Europe.

#### **KEY PERFORMANCE INDICATORS**

As a result of the Group's strategy to focus on its core business, and therefore dispose of certain non-core assets, turnover year in year has reduced by £74.5 million to £206.4 million (2020: £280.9 million).

The key performance indicators for the group include turnover, gross margin, operating profit which are stated in our Comprehensive Income Statement. Non-financial key performance indicators include health and safety, quality, technical performance, order intake, fulfilment and demand forecast. The financial position of the group and company at the end of the year is given in the Consolidated and Company Balance Sheets.

During the year the Group sold most of its cash and carry business. It experienced a significant downturn in performance in 2021 and 2022. The Group has seen increasing levels of cost inflation across ingredients, energy, transport and warehousing. The Group was not successful in passing on these costs and this has led to significant losses. The operational challenges have continued in to 2023 with the recovery taking longer than originally anticipated. As a result, the Group has undertaken refinancing exercises which is largely complete but still has due diligence from the Lenders to complete.

The Group has sold its investments in Warp Limited to its common shareholders and received a total of £35 million. It has received £2 million in funding from Pemberton and is due to receive, subject to due diligence, a further £12 million from Pemberton and an equity commitment of £18 million from Exponent its shareholders.

The cash flows in these financial forecasts as the business recovers from the impact of the operational challenges mean that the carrying value of investments on the consolidated balance sheet of Vibrant Foods Limited is no longer supported and has been impaired. The recognition of a £204,614 impairment of company investments has resulted in a reported company loss of £232,986 and closing net liabilities of £251,499.

#### **POST BALANCE SHEET EVENTS**

In the period since December 2021 the Group has received cash injections of £10 million in October 2022, £10 million in January 2023 and £15 million in March 2023 from the sale of its remaining investment in Warp Group Limited (30%). The sale was to its common shareholder Exponent for book value.

On 31 March 2023 the Group entered into signed a waiver and consent letter with Pemberton and HSBC. On 4th May 2023 the Group signed Amendment & restatement agreement from its Lenders detailing the conditions under which future funding should be provided. This agreement with Lenders provided £2 million in funding. Subject to due diligence to be complete by 31 August the Lenders will provide a further £12 million.

The agreement also provides for the forgiveness of all covenants, a new cash covenant equal to a minimum of £2 million until 31 August 2023 and £4 million after that date. There is no other covenants until July 2024.

At the same time Exponent agreed to, subject to due diligence to be complete by 31 August 2023, a further equity commitment of £18 million.

On 29 July 2022, the Group sold the assets of TRS Cash & Carry Limited which is the cash & carry business in Southall, South London. It then ceased to trade TRS Cash & Carry Limited and collected out its assets and settled its liabilities.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

Risks are managed across the group which includes those relevant to the company.

The group's activities expose it to a number of financial risks. The risks on interest payable on Bank Borrowings is managed by a swap which expires in March 2024. The Group's interest is paid half yearly and represents a significant outgoing at March and September of each year.

The group's customers are either UK based or European in origin. The majority of income is received in sterling or euro. A significant proportion of purchases are in US \$. The Group manages this risk by hedging where appropriate although this ends in October 2023 and any new deals have to be agreed with HSBC

#### **PRINCIPAL RISKS AND UNCERTAINTIES continued**

The Group manages liquidity risk by forecasting on a 13 week basis and an annual budget. The Group's customers are for 25% of the business large supermarket chains. For the remaining 75% of the business its sales are to independent traders and there is a risk of bad debts. The suppliers are spread across a large number of businesses. The supply is managed by monitoring suppliers and paying when they request. This exposes the Group to a supplier risk as the Group has limited credit insurance. This is managed by paying suppliers regularly.

Health and safety risks in operations are subject to the group's procedures and are reported at board level.

#### **GOING CONCERN**

The Vibrant Foods Limited group's "the Group" activities and recent trading performance, together with the factors likely to affect its future development and performance, as well as the Group's approach to credit risk, cash flows and liquidity risks are set out in the Strategic Report for the Group and the Company. The company is part of a larger group headed by Vibrant Topco Limited with shared banking facilities.

In preparing the financial statements on a going concern basis the Directors have considered the following:

- Financial Forecasts for the Group and its parent companies prepared to 30 September 2024

- The profile of the facilities and the need for further funding to meet its liability and debt obligations in September 2023. This further funding is agreed but subject to due diligence.

- The operational improvements that are being implemented across the business to deliver the above forecasts.

The base case financial forecasts represent board approved budget which have underpinned the refinancing exercise signed in May 2023. The forecasts have been prepared to September 2024 recognising the current trading conditions and inflationary pressures, operational efficiencies, restructuring program and transition of warehousing and distribution to new providers. They include expected price increases from current negotiations. The forecasts assume funding facilities (held by the company and Vibrant Debtco Limited) that are approved but subject to completion of the due diligence will be available when needed. The funding requirements are sufficient based on these forecasts and assuming the due diligence is satisfactorily completed to take it to September 2024 including compliance with the liquidity banking covenants tests.

The Directors have prepared forecasts through to September 2024 which have been stress-tested to reduce consumer demand or lower gross margins. ("Downside Forecasts"). In each case the Group and the Company would have sufficient liquidity to meet its liabilities as they fall due for at least 12 months from the date of signing the accounts. There is potential for a breach of its financial covenants beyond June 2024 under the downside forecasts with a need to renegotiate the terms with external lenders. A severe but plausible downside risk being a combination of the above factors, before management taking mitigating actions, would potentially require additional funding.

The need for due diligence to be satisfactorily completed to provide required funding and the risks of not achieving required increases of gross margin, resulting in breached covenants and additional funding being sought outlined above means there is a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

Notwithstanding the risks, for the reasons outlined, the Directors have a reasonable expectation that the due diligence will be completed by 31 August 2023 and that it will result in a satisfactory outcome which will then enable the company to obtain the required cash. This will provide the Group and the Company with adequate resources to meet their liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date these financial statements are approved. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements. These financial statements do not contain any adjustment that would arise if the financial statements were not drawn up on a going concern basis

#### **STREAMLINE ENERGY AND CARBON REPORTING**

The Group has calculated its energy use and associated greenhouse gas (GHG) emissions for electricity, gas and fuel used in business operations for the year ended 31 December 2021. The Group's total energy consumption and associated GHG emissions were 12,821 Mwh and 3,689 tCO2 respectively. The calculation was based on data from the sites and vehicles associated with the Group.

The calculations were based on data from the sites and vehicles associated with seven entities from within the Group, for the periods within 2021 when their operations were under the Group's control. Data about electricity, gas and fuel came from invoices or accounting entries for related costs over the year. All the data was converted to MWh and tCO2 using the relevant government conversion factors.

In 2021, the group increased its procurement of energy on a green tariff (resulting in lower CO2e emissions when using a market-based calculation approach). The group also invested in electric forklifts at one of its manufacturing sites.

Vibrant Foods Limited

Company Information

for the Year Ended 31st December 2021

**DIRECTORS' STATEMENT OF COMPLIANCE WITH THE DUTY TO PROMOTE THE SUCCESS OF THE GROUP**

Section 172 of the Act requires directors to act in a way that they consider, in good faith, would be, most likely to promote the success of a company. In doing so, the directors must take into consideration the interests of the various stakeholders of the Company, the impact of the Company's operations on the community and the environment, take a long-term view on decisions they make as well aiming to maintain a reputation for high standards and fair treatment between the members of the Company. In accordance with the Companies (Miscellaneous Reporting) Regulations 2018, the Company explains below how the directors have discharged their duty under section 172.

**DIRECTORS' STATEMENT OF COMPLIANCE WITH THE DUTY TO PROMOTE THE SUCCESS OF THE GROUP**  
**continued**

- Employees. Employee engagement is important to our success. We strive to put in place a diverse and inclusive workplace where every employee can reach their potential. We work with our people to ensure we are delivering to their expectations and making the correct business decisions.
- Customers. We maintain a high degree of customer contact to anticipate the future needs of customers. We collaborate and innovate with our customers to improve product performance.
- Suppliers. We engage with our suppliers to build a relationship from which we can mutually benefit to ensure they are performing to our standards and conducting business to our expectations.
- Shareholders and lenders. We work to ensure our shareholders and lenders have a good understanding of our strategy and performance.
- Governing bodies and regulators. We engage with government agencies and key regulatory bodies to ensure we have the licences to operate safely and ensure regulatory compliance. We work with local and governments and health agencies where we have operations.
- Communities. We are committed to building positive relations with the communities in which we operate.
- Culture. The Board are responsible for the overall effectiveness in directing the Company and promoting a culture of openness and debate. The Directors are required to act with integrity, lead by example and promote this culture within the Company.

The Strategic report and the financial statements on pages 10 to 39 were approved by the Board of Directors on 01 June 2023 and signed on its behalf by



M E Hall  
Director

Vibrant Foods Limited

Report of the Directors  
for the Year Ended 31st December 2021

**DIRECTORS REPORT**

The directors present their report and the audited consolidated financial statements for the year to 31 December 2021.

**RESULTS AND DIVIDENDS**

The loss for the year to 31 December 2021, after taxation, amounted to £34.149 million. (2020: £45.253 million)

**DIRECTORS**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

M E Hall – appointed on 24 March 2023

N J Pike – appointed on 24 March 2023

U Parmar – resigned on 24 March 2023

R Samani – resigned on 24 March 2023

G E J Dibb-Fuller - appointed on 16 April 2021, and resigned on 20 December 2022

M D Stott – resigned on 16 April 2021

**PRINCIPAL RISKS AND UNCERTAINTIES**

These are included and considered within the principal risks and uncertainties section in the Strategic report.

**ENGAGEMENT WITH EMPLOYEES**

Employee engagement is important to our success. We work to create a diverse and inclusive workplace where every employee can reach their full potential and be at their best.

We engage with, consult and provide information to our staff through a variety of methods including notice boards, presentations and emails.

**DISABLED EMPLOYEES**

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

**DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair of the state of affairs of the group and company 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 and then apply them consistently.
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements.
- Make judgements and accounting estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The Directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the groups and company transactions and enable them to ensure that the financial statements comply with the Companies Act 2006.

Vibrant Foods Limited

Company Information  
for the Year Ended 31st December 2021


**INDEPENDENT AUDITORS**

The independent auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The Directors report and the financial statements on pages 10 to 39 were approved by the Board of Directors on 01 June 2023 and signed on its behalf by

M E Hall  
Director

**ON BEHALF OF THE BOARD:**



.....  
M E Hall - Director

Date: 1/6/2023



# Independent auditors' report to the members of Vibrant Foods Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Vibrant Foods Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2021 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Group Strategic Report, Report of the Directors and Audited Consolidated Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 31 December 2021; Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated and Company Statements of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the group's and the company's ability to continue as a going concern. The directors have prepared cash flow forecasts to September 2024 which assume the completion of a required refinancing arrangement, providing additional funding to the company's parent companies on which the company is reliant for support. An agreement for refinancing has been signed but is subject to a satisfactory outcome of due diligence to be completed by 31 August 2023. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's and the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group and the company were unable to continue as a 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.

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

## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

## **Strategic report and Report of the Directors**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the Directors for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Report of the Directors.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement Of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' 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 auditors' 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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to various food safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and UK Tax Law. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Identifying and testing journal entries, in particular journal entries posted with unusual account combinations.
- Assessing significant judgements and estimates in particular those relating to impairment of trade receivables and inventory and the disclosures included on these balances within the financial statements.
- Reviewing the minutes of the board meeting to check any non-compliance with laws and regulations.
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Incorporating elements of unpredictability.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditors/responsibilities](http://www.frc.org.uk/auditors/responsibilities). This description forms part of our auditors' report.

#### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Neil Philpott (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
01 June 2023

**Vibrant Foods Limited**

**Consolidated Income Statement**  
**for the Year Ended 31st December 2021**

	Notes	2021 Continuing £'000	2021 Discontinued £'000	2021 Total £'000
<b>TURNOVER</b>	3	197,674	8,764	206,438
Cost of sales		<u>(146,750)</u>	<u>(6,858)</u>	<u>(153,608)</u>
<b>GROSS PROFIT</b>		50,924	1,906	52,830
Administrative expenses		<u>(61,878)</u>	<u>(1,946)</u>	<u>(63,824)</u>
		(10,954)	(40)	(10,994)
Other operating income		23	-	23
<b>OPERATING LOSS</b>	5	(10,931)	(40)	(10,971)
Interest receivable and similar income	6	6,640	-	6,640
Loss on disposal of operations		-	(3,582)	(3,582)
Interest payable and similar expenses	7	<u>(25,273)</u>	<u>-</u>	<u>(25,273)</u>
<b>LOSS BEFORE TAXATION</b>		(29,564)	(3,622)	(33,186)
Tax on loss	8	<u>(963)</u>	<u>-</u>	<u>(963)</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(30,527)</u>	<u>(3,622)</u>	<u>(34,149)</u>
Loss attributable to: Owners of the parent				<u>(34,149)</u>

The notes form part of these financial statements

Vibrant Foods Limited

Consolidated Income Statement  
for the Year Ended 31st December 2021

	Notes	2020 Continuing £'000	2020 Discontinued £'000	2020 Total £'000
<b>TURNOVER</b>	3	153,984	126,916	280,900
Cost of sales		<u>(109,950)</u>	<u>(108,956)</u>	<u>(218,906)</u>
<b>GROSS PROFIT</b>		44,034	17,960	61,994
Administrative expenses		<u>(45,626)</u>	<u>(12,666)</u>	<u>(58,292)</u>
		(1,592)	5,294	3,702
Other operating income		124	-	124
<b>OPERATING (LOSS)/PROFIT</b>	5	(1,468)	5,294	3,826
Loss on disposal of operations		-	(19,754)	(19,754)
Interest payable and similar expenses	7	<u>(26,161)</u>	<u>-</u>	<u>(26,161)</u>
<b>LOSS BEFORE TAXATION</b>		(27,629)	(14,460)	(42,089)
Tax on loss	8	<u>(3,164)</u>	<u>-</u>	<u>(3,164)</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(30,793)</u>	<u>(14,460)</u>	<u>(45,253)</u>
Loss attributable to:				
Owners of the parent				<u>(45,253)</u>

The notes form part of these financial statements

Vibrant Foods Limited

Consolidated Statement of Comprehensive Income  
for the Year Ended 31st December 2021

	Notes	2021 £'000	2020 £'000
<b>LOSS FOR THE YEAR</b>		(34,149)	(45,253)
<b>OTHER COMPREHENSIVE EXPENSE</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR</b>		<u>(34,149)</u>	<u>(45,253)</u>
Total comprehensive expense attributable to: Owners of the parent		<u>(34,149)</u>	<u>(45,253)</u>

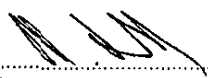
The notes form part of these financial statements

Vibrant Foods Limited (Registered number: 11995168)

Consolidated Balance Sheet  
As at 31st December 2021

	Notes	2021 £'000	2020 £'000
<b>FIXED ASSETS</b>			
Intangible assets	13	153,618	176,165
Tangible assets	14	19,273	36,041
Investments	15	-	-
		<u>172,891</u>	<u>212,206</u>
<b>CURRENT ASSETS</b>			
Stocks	16	48,545	34,822
Debtors	17	58,232	47,348
Cash at bank and in hand		<u>5,804</u>	<u>14,732</u>
		112,581	96,902
<b>CREDITORS</b>			
Amounts falling due within one year	18	<u>(166,255)</u>	<u>(147,290)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(53,674)</u>	<u>(50,388)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		119,217	161,818
<b>CREDITORS</b>			
Amounts falling due after more than one year	19	(173,289)	(183,429)
<b>PROVISIONS FOR LIABILITIES</b>	24	(2,819)	(3,348)
<b>ACCRUALS AND DEFERRED INCOME</b>	25	<u>(35)</u>	<u>(72)</u>
<b>NET LIABILITIES</b>		<u>(56,926)</u>	<u>(25,031)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	26	28,305	26,051
Accumulated losses	27	<u>(85,231)</u>	<u>(51,082)</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>(56,926)</u>	<u>(25,031)</u>

The financial statements on pages 10 to 39 were approved by the Board of Directors and authorised for issue on 01 June 2023 and were signed on its behalf by:

  
M E Hall - Director

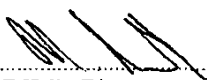
The notes form part of these financial statements

Vibrant Foods Limited (Registered number: 11995168)

Company Balance Sheet  
As at 31st December 2021

	Notes	2021 £'000	2020 £'000
<b>FIXED ASSETS</b>			
Intangible assets	13	6,171	982
Tangible assets	14	1,046	1,101
Investments	15	<u>26,382</u>	<u>276,150</u>
		33,599	278,233
<b>CURRENT ASSETS</b>			
Debtors	17	29,200	2,349
Cash at bank		<u>270</u>	<u>355</u>
		29,470	2,704
<b>CREDITORS</b>			
Amounts falling due within one year	18	<u>(141,279)</u>	<u>(118,275)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(111,809)</u>	<u>(115,571)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(78,210)	162,662
<b>CREDITORS</b>			
Amounts falling due after more than one year	19	<u>(173,289)</u>	<u>(183,429)</u>
<b>NET LIABILITIES</b>		<u>(251,499)</u>	<u>(20,767)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	26	28,305	26,051
Accumulated losses	27	<u>(279,804)</u>	<u>(46,818)</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>(251,499)</u>	<u>(20,767)</u>
Company's loss for the financial year		<u>(232,986)</u>	<u>(66,237)</u>

The financial statements on pages 10 to 39 were approved by the Board of Directors and authorised for issue on 1/6/2023 and were signed on its behalf by:

  
M E Hall - Director

The notes form part of these financial statements



Vibrant Foods Limited

Consolidated Statement of Changes in Equity  
for the Year Ended 31st December 2021

	Called up share capital £'000	Accumulated losses £'000	Total equity £'000
<b>Balance at 1st January 2020</b>	14,183	(5,829)	8,354
<b>Changes in equity</b>			
Issue of share capital	11,868	-	11,868
Total comprehensive expense	-	(45,253)	(45,253)
<b>Balance at 31st December 2020</b>	<u>26,051</u>	<u>(51,082)</u>	<u>(25,031)</u>
<b>Changes in equity</b>			
Issue of share capital	2,254	-	2,254
Intercompany receivable remedial action	-	31,000	31,000
Dividends paid	-	(31,000)	(31,000)
Total comprehensive expense	-	(34,149)	(34,149)
<b>Balance at 31st December 2021</b>	<u>28,305</u>	<u>(85,231)</u>	<u>(56,926)</u>

The notes form part of these financial statements

Vibrant Foods Limited

Company Statement of Changes in Equity  
for the Year Ended 31st December 2021

	Called up share capital £'000	Retained earnings/ Accumulated losses £'000	Total equity £'000
<b>Balance at 1st January 2020</b>	14,183	19,419	33,602
<b>Changes in equity</b>			
Issue of share capital	11,868	-	11,868
Total comprehensive expense	-	(66,237)	(66,237)
<b>Balance at 31st December 2020</b>	<u>26,051</u>	<u>(46,818)</u>	<u>(20,767)</u>
<b>Changes in equity</b>			
Issue of share capital	2,254	-	2,254
Intercompany receivable remedial action	-	31,000	31,000
Dividends paid	-	(31,000)	(31,000)
Total comprehensive expense	-	(232,986)	(232,986)
<b>Balance at 31st December 2021</b>	<u>28,305</u>	<u>(279,804)</u>	<u>(251,499)</u>

The notes form part of these financial statements

**Vibrant Foods Limited**

**Consolidated Cash Flow Statement**  
**for the Year Ended 31st December 2021**

	Notes	2021 £'000	2020 £'000
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations	1	5,113	(1,184)
Corporation tax paid		<u>(3,441)</u>	<u>(3,352)</u>
Net cash generated from/(used in) operating activities		<u>1,672</u>	<u>(4,536)</u>
<b>Cash flows from investing activities</b>			
Purchase of subsidiaries (net of cash)		(37,357)	(69,210)
Purchase of tangible assets		(5,240)	(5,361)
Purchase of intangible assets		(5,475)	(982)
Proceeds from disposal of trade & assets		30,498	18,504
Deal and debt fees		<u>(1,912)</u>	<u>(1,923)</u>
Net cash used in investing activities		<u>(19,486)</u>	<u>(58,972)</u>
<b>Cash flows from financing activities</b>			
(Payments to)/Proceeds from financing/Line of credit		(11,914)	37,000
Proceeds from shareholder loan		13,582	33,529
Drawdown/(Repayment) of borrowings		17,500	(3,500)
Share issue		2,254	11,868
Interest paid		(12,331)	(13,703)
Fees for arrangement of borrowings		<u>(205)</u>	<u>(2,272)</u>
Net cash generated from financing activities		<u>8,886</u>	<u>62,922</u>
<b>Decrease in cash and cash equivalents</b>		<u>(8,928)</u>	<u>(586)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>14,732</u>	<u>15,318</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>5,804</u></u>	<u><u>14,732</u></u>

The notes form part of these financial statements

**Vibrant Foods Limited**

**Notes to the Consolidated Cash Flow Statement**  
**for the Year Ended 31st December 2021**

**1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2021 £'000	2020 £'000
Loss before taxation	(33,186)	(42,089)
Depreciation and amortisation charges	20,076	19,303
Loss on disposal of trade and assets	3,582	21,667
Loss on disposal of property, plant and equipment	339	895
Unwind of fair value adjustments	775	1,283
Finance costs	25,273	26,161
Finance income	(6,640)	-
	10,219	27,220
Increase in stocks	(11,373)	(7,658)
Decrease/(Increase) in trade and other debtors	19,778	(12,584)
Decrease in trade and other creditors	(13,510)	(8,162)
<b>Cash generated from/(used in) operations</b>	<b><u>5,113</u></b>	<b><u>(1,184)</u></b>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31st December 2021**

	2021 £'000	2020 £'000
Cash and cash equivalents	<u>5,804</u>	<u>14,732</u>
	<u>5,804</u>	<u>14,732</u>

**Year ended 31st December 2020**

	2020 £'000	2019 £'000
Cash and cash equivalents	<u>14,732</u>	<u>15,318</u>
	<u>14,732</u>	<u>15,318</u>

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.1.21 £'000s	Acquired £'000	Cash flow £'000	Other non-cash changes £'000	At 31.12.21 £'000
<b>Net cash</b>					
Cash and cash equivalents	<u>14,732</u>	<u>624</u>	<u>(9,552)</u>	-	<u>5,804</u>
	<u>14,732</u>	<u>624</u>	<u>(9,552)</u>	-	<u>5,804</u>
<b>Debt</b>					
Debts falling due within 1 year	(106,071)	-	(31,082)	20,172	(116,981)
Debts falling due after 1 year	(183,429)	-	11,914	(1,774)	(173,289)
	<u>(289,500)</u>	-	<u>(19,168)</u>	<u>18,398</u>	<u>(290,270)</u>

Other non-cash changes includes accrued interest on the amounts owed to group undertakings, the intercompany remedial action and the unwind of deal fees allocated against the amounts owed to group undertakings and bank loans.

1. **STATUTORY INFORMATION**

Vibrant Foods Limited is a private company, limited by shares, incorporated and registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention modified by financial assets and financial liabilities held at fair value through the profit and loss.

*These consolidated and company financial statements have been prepared on a going concern basis.*

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to express its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

The accounting policies have been applied consistently, other than where new policies have been adopted.

**Going concern**

The Vibrant Foods Limited group's "the Group" activities and recent trading performance, together with the factors likely to affect its future development and performance, as well as the Group's approach to credit risk, cash flows and liquidity risks are set out in the Strategic Report for the Group and the Company. The company is part of a larger group headed by Vibrant Topco Limited with shared banking facilities.

*In preparing the financial statements on a going concern basis the Directors have considered the following:*

Financial Forecasts for the Group and its parent companies prepared to 30 September 2024

The profile of the facilities and the need for further funding to meet its liability and debt obligations in September 2023. This further funding is agreed but subject to due diligence.

The operational improvements that are being implemented across the business to deliver the above forecasts.

The base case financial forecasts represent board approved budget which have underpinned the refinancing exercise signed in May 2023. The forecasts have been prepared to September 2024 recognising the current trading conditions and inflationary pressures, operational efficiencies, restructuring program and transition of warehousing and distribution to new providers. They include expected price increases from current negotiations. The forecasts assume funding facilities (held by the company and Vibrant Debtco Limited) that are approved but subject to completion of the due diligence will be available when needed. The funding requirements are sufficient based on these forecasts and assuming the due diligence is satisfactorily completed to take it to September 2024 including compliance with the liquidity banking covenants tests.

The Directors have prepared forecasts through to September 2024 which have been stress-tested to reduce consumer demand or lower gross margins. ("Downside Forecasts"). In each case the Group and the Company would have sufficient liquidity to meet its liabilities as they fall due for at least 12 months from the date of signing the accounts. There is potential for a breach of its financial covenants beyond June 2024 under the downside forecasts with a need to renegotiate the terms with external lenders. A severe but plausible downside risk being a combination of the above factors, before management taking mitigating actions, would potentially require additional funding.

The need for due diligence to be satisfactorily completed to provide required funding and the risks of not achieving required increases of gross margin, resulting in breached covenants and additional funding being sought outlined above means there is a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

Notwithstanding the risks, for the reasons outlined, the Directors have a reasonable expectation that the due diligence will be completed by 31 August 2023 and that it will result in a satisfactory outcome which will then enable the company to obtain the required cash. This will provide the Group and the Company with adequate resources to meet their liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date these financial statements are approved. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements. These financial statements do not contain any adjustment that would arise if the financial statements were not drawn up on a going concern basis

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The group has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by

FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- o the requirement of paragraph 3.17(d).
- o the requirement to disclose the company income statement and cash flow statement
- o the requirement to disclose remuneration for key management personnel

**Subsidiary company audit exemption**

For the period ended 31 December 2021, East End Foods Holdings Limited (Registered number: 07812840), East End Foods Properties Limited (Registered number: 07813491), Spice & Seasoning International Limited (Registered number: 09078673), East End Foods Limited (formerly TRS International Foods Limited. Registered number: 00938359), Everest Dairies Limited (Registered number: 03481276), Cashew Newco Limited (Registered number: 13199879), Fudco Limited (Registered number: 13755240) and Narottam TM Limited (Registered number: 11389208) were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

2. ACCOUNTING POLICIES - continued

**Basis of consolidation**

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings made up to 31 December 2021.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

Any subsidiary undertakings sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

**Investments in the Company**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

**Significant judgements and estimates**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions impact recognised assets and liabilities, as well as revenue, expenses and other disclosures. These estimates are based on historical experience and on various assumptions considered reasonable under the prevailing conditions. The actual outcome may diverge from these estimates if other assumptions are made, or other conditions arise. The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities within the year include:

**Fair value of acquisition of subsidiaries**

The fair value of tangible and intangible assets acquired on the acquisition of the TRS, EEF, Cofresh, Everest and Fudco groups involved the use of valuation techniques around the valuation of properties and of stock that required levels of estimation.

**Impairment of intangible assets and goodwill**

The Group considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units. This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cashflows.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The Group operates a retail outlet for the sale of a range of branded and own branded products. Sales of goods are recognised on sale to the customer, which is considered the point of delivery. Retail sales are usually by cash, credit or payment card.

Through a transitional services agreement, the Group holds stock, makes sales and incurs costs on behalf of Eat Real Limited following its disposal by the Group. Sales proceeds are remitted to Eat Real Limited and costs incurred by the group are reimbursed in full. Through this agreement the risks and rewards of the trade remains with Eat Real Limited and as such the net position is reported through the income statement, recognising no profit or loss.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of businesses, is being amortised evenly over the estimated useful life of ten years.

**2. ACCOUNTING POLICIES - continued**

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of ten years.

Computer software is being amortised evenly over its estimated useful life of four years.

All intangible assets are considered to have a finite useful life.

**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 Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined as 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.

Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using straight line and reducing balance methods.

Depreciation is provided on the following basis:

Freehold property	- 2% on cost and 4% reducing balance
Leasehold property	- 4% reducing balance
Plant and machinery	- 10% on cost and 15% reducing balance
Fixtures & fittings	- 10-15% on cost
Motor vehicles	- 25% reducing balance

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 disposal are determined by comparing the proceeds with the carrying amount and are recognised within the profit and loss account.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Net realisable value is based on estimated selling prices less any further costs expected to be incurred.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.



2. ACCOUNTING POLICIES - continued

**Financial instruments**

The Group and Company has adopted Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, and loans from fellow Group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derivatives, including interest rate swaps, 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.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**Foreign currencies**

The functional currency of the group is sterling.

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

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

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Vibrant Foods Limited

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2021

2. **ACCOUNTING POLICIES - continued**

**Business combinations**

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the Group.

The cost of the business combination is the fair value of the consideration given, liabilities incurred or assumed and of the equity instruments issued plus the costs directly attributable to the business combination.

At the acquisition date, the Group recognised goodwill as:

- the fair value of the consideration transferred; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Goodwill is amortised over its expected useful life which is estimated to be ten years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. No reversals of impairment are recognised.

**Exceptional items**

The Group classifies certain one-off charges or credits that have a material impact on the Group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Group.

**Provisions**

A provision is recognised in the balance sheet when the Group 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 recognised at the best estimate of the amount required to settle the obligation at the reporting date.

3. **TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2021 £'000	2020 £'000
United Kingdom	156,542	230,644
Europe	46,633	48,172
Rest of World	<u>3,263</u>	<u>2,084</u>
	<u>206,438</u>	<u>280,900</u>

4. **EMPLOYEES AND DIRECTORS**

	2021 £'000	2020 £'000
Wages and salaries	27,754	22,073
Social security costs	2,421	1,479
Other pension costs	<u>419</u>	<u>447</u>
	<u>30,594</u>	<u>23,999</u>

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

	2021 Number	2020 Number
Manufacturing	458	439
Sales and marketing	85	96
Administration and support	<u>224</u>	<u>239</u>
	<u>767</u>	<u>774</u>

The Company had no employees during the year.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2021

4. **EMPLOYEES AND DIRECTORS - continued**

	2021	2020
	£	£
Directors' remuneration	1,500,248	1,159,978
Compensation for loss of office	<u>337,489</u>	<u>-</u>

Information regarding the highest paid director is as follows:

	2021	2020
	£	£
Directors' remuneration	<u>624,667</u>	<u>420,704</u>

5. **OPERATING (LOSS)/PROFIT**

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

	2021	2020
	£'000	£'000
Hire of plant and machinery	1,037	566
Other operating leases	493	386
Depreciation - owned assets	1,491	1,030
Loss on disposal of operations	3,582	21,667
Goodwill amortisation	18,281	18,272
Patents and licences amortisation	18	1
Computer software amortisation	286	-
Auditors' remuneration for audit services	147	140
Auditors' remuneration for taxation services	45	40
Foreign exchange differences	<u>-</u>	<u>(14)</u>

6. **INTEREST RECEIVABLE AND SIMILAR INCOME**

	2021	2020
	£'000	£'000
Movement on derivatives	4,024	-
Interest on intercompany receivable remedial action	<u>2,616</u>	<u>-</u>
	<u>6,640</u>	<u>-</u>

7. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2021	2020
	£'000	£'000
Bank loan interest	12,164	12,945
Amortisation of deal & loan fees	1,979	2,113
Movement on derivatives	-	2,758
Shareholder loan interest	<u>11,130</u>	<u>8,345</u>
	<u>25,273</u>	<u>26,161</u>

8. **TAX ON LOSS**

**Analysis of the tax charge**

The tax charge on the loss for the year was as follows:

	2021	2020
	£'000	£'000
UK corporation tax	2,163	2,390
Adjustment in respect of previous periods	<u>(44)</u>	<u>295</u>
Total current tax	<u>2,119</u>	<u>2,685</u>
Deferred tax:		
Origination and reversal of timing differences	(504)	230
Adjustment in respect of previous periods	(1,212)	236
Effect of changes in tax rates	<u>560</u>	<u>13</u>
Total deferred tax	<u>(1,156)</u>	<u>479</u>
Total tax charge	<u>963</u>	<u>3,164</u>

Vibrant Foods Limited

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2021

8. **TAX ON LOSS - continued**

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK.

	2021 £'000	2020 £'000
Loss before tax	(33,186)	(40,089)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(6,305)	(7,997)
Effects of:		
Expenses not deductible for tax purposes	14,187	12,154
Income not taxable for tax purposes	(6,223)	(1,537)
Adjustment in respect of previous periods	(1,256)	531
Tax rate changes	560	13
Total tax charge	963	3,164

**Factors that may affect future tax charges**

In the Spring Budget 2021, the Government announced that from 1 April 2021 the corporation tax rate would remain the at 19% until 31 March 2023. At that point, the corporation tax rate will increase to 25%.

9. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

**10. DIVIDENDS**

On the 26 February 2021, the Company received and completed a dividend in specie comprising (i) 346,183 A4 ordinary shares of £0.01 each and 21,457,672 preference shares of £0.01 each in an investment in Warp Snacks Topco Limited and (ii) £9,196,145 in principal amount of 10 per cent fixed rate unsecured non-QCB loan notes 2031 issued by Warp Snacks Debtco Limited with total market value deemed to be £31,000,000 to its parent company. Subsequent to the year end and during the course of preparing these financial statements, the directors became aware that these distributions were not in accordance with the Companies Act 2006 as the Company had insufficient distributable reserves at the time of the distributions. As such, the Company is required to take remedial action. The parent acknowledged an intercompany payable and the Company an intercompany receivable equal to the amount of the dividend in specie plus interest at a rate of 10 per cent per annum accruing daily as adjusted for in these financial statements. After completion of these financial statements, the intercompany loan will be set-off against the equivalent amount of historical intercompany loans already in existence and an updated intercompany loan agreement will be drafted with the updated principal loan amount.

The directors consider that the remedial action, which is based on legal advice from external advisors, discharges the directors of the company of any liability as a consequence of an unlawful distribution made pursuant to s847 of the Companies Act 2006.

No dividends were distributed during the year ended 31 December 2020.

**11. DISCONTINUED OPERATIONS**

*As part of the Group's strategy to concentrate resources on core products, the Group disposed of the Eat Real business (including the legal entities Eat Real Limited, Eat Real Co 2 Limited, Eat Real Snacks Private Limited and Eat Real Snacks USA LLC) on 25 February 2021 and the cash and carry business of East End Foods Limited (formerly TRS International Foods Limited) on 28 February 2021.*

During the year, Eat Real contributed a pre tax loss of £649,913 (2020: £4,501,650 profit) and East End Foods Limited (formerly TRS International Foods Limited) contributed a pre tax loss of £40,395 (2020: £916,825 profit).

The Group received cash consideration for the disposal of the leasehold property and remaining stock of East End Foods Limited (formerly TRS International Foods Limited) and cash, shares and loan note consideration for the disposal of the Eat Real business.

Profit on disposals of £6,981,790 for the disposal of the leasehold property and remaining stock of East End Foods Limited (formerly TRS International Foods Limited) and of £31,076,627 from the disposal of the Eat Real business were recognised in the profit and loss account. Goodwill was impaired as a result of these disposals amounting to £45,177,170 with related amortisation unwind amounting to £3,536,841, leading to an overall loss on disposal of operations of £3,581,912.

## Vibrant Foods Limited

### Notes to the Consolidated Financial Statements - continued for the Year Ended 31st December 2021

#### 12. BUSINESS COMBINATION

##### Current year

On 9th March 2021, the Group acquired 100% of the ordinary share capital of Everest Dairies Limited (Everest) and on 31st March 2021 the Group acquired the trade and assets of Fudco GP.

The principal activity of Everest is that of the manufacturing and sale of dairy products.  
The principal activity of Fudco GP is that of the sale of nuts and dried fruit.

##### Effect of acquisitions

The acquisitions had the following effect on the Company's assets and liabilities:

	Book values £'000s	Fair value adjustments £'000s	Recognised values on acquisition £'000s
Acquirees' net assets at the acquisition date:			
Tangible fixed assets	754	-	754
Intangible assets	-	-	-
Stock	3,286	1,241	4,527
Trade and other debtors	4,637	(100)	4,537
Cash	624	-	624
Trade and other creditors	(2,309)	(367)	(2,676)
Provisions and deferred tax	(77)	-	(77)
<b>Net identifiable assets</b>	<b>6,915</b>	<b>774</b>	<b>7,689</b>

##### Total cost of business combination:

Cash consideration paid	37,980
Deal fees	1,912
<b>Total consideration</b>	<b>39,892</b>

##### Goodwill on acquisition

**32,203**

The fair value adjustments consist of an uplift of finished goods to sales price less costs to sell and a revaluation of debtor and creditor balances to reflect their fair value.

##### Prior year

On 29th June 2020, the Company acquired 100% of the ordinary share capital of Narottam Holdings Limited, Lakshmi & Son's Limited, Eat Real Snacks LLC, Eat Real Snacks Private Limited and Narottam TM Limited ('the Cofresh Group').

The principal activity of the Cofresh group of companies is that of the manufacturing of snack foods.

##### Effect of acquisitions

The acquisitions had the following effect on the Company's assets and liabilities:

	Book values £'000s	Fair value adjustments £'000s	Recognised values on acquisition £'000s
Acquirees' net assets at the acquisition date:			
Tangible fixed assets	16,152	-	16,152
Intangible assets	314	-	314
Stock	5,726	1,232	6,958
Trade and other debtors	11,899	(1,181)	10,718
Cash	4,771	-	4,771
Trade and other creditors	(16,202)	(601)	(16,803)
Provisions and deferred tax	(583)	(242)	(825)
<b>Net identifiable assets</b>	<b>22,077</b>	<b>(792)</b>	<b>21,285</b>

##### Total cost of business combination:

Cash consideration paid	71,680
Deal fees	1,247

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2021

12. **BUSINESS COMBINATION continued**

**Total consideration** **72,927**

**Goodwill on acquisition** **51,642**

The fair value adjustments consist of an uplift of finished goods to sales price less costs to sell and a revaluation of debtor and creditor balances to reflect their fair value.

The expected useful life of goodwill stemming from these acquisitions is 10 years.

Acquisition accounting has been used in the consolidation of the entities in to the group financial statements.

13. **INTANGIBLE ASSETS****Group**

	Goodwill £'000	Patents and licences £'000	Computer software £'000	Totals £'000
<b>COST</b>				
At 1st January 2021	194,576	48	982	195,606
Additions	32,203	-	5,475	37,678
Disposals	<u>(45,177)</u>	<u>-</u>	<u>-</u>	<u>(45,177)</u>
At 31st December 2021	<u>181,602</u>	<u>48</u>	<u>6,457</u>	<u>188,107</u>
<b>ACCUMULATED AMORTISATION</b>				
At 1st January 2021	19,440	1	-	19,441
Amortisation for year	18,281	18	286	18,585
Eliminated on disposal	<u>(3,537)</u>	<u>-</u>	<u>-</u>	<u>(3,537)</u>
At 31st December 2021	<u>34,184</u>	<u>19</u>	<u>286</u>	<u>34,489</u>
<b>NET BOOK VALUE</b>				
At 31st December 2021	<u>147,418</u>	<u>29</u>	<u>6,171</u>	<u>153,618</u>
At 31st December 2020	<u>175,136</u>	<u>47</u>	<u>982</u>	<u>176,165</u>

**Company**

	Computer software £'000
<b>COST</b>	
At 1st January 2021	982
Additions	<u>5,475</u>
At 31st December 2021	<u>6,457</u>
<b>ACCUMULATED AMORTISATION</b>	
At 1st January 2021	-
Amortisation for year	<u>286</u>
At 31st December 2021	<u>286</u>
<b>NET BOOK VALUE</b>	
At 31st December 2021	<u>6,171</u>
At 31st December 2020	<u>982</u>

**Vibrant Foods Limited**

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31st December 2021**

**14. TANGIBLE ASSETS**

**Group**

	Freehold property £'000	Leasehold property £'000	Plant and machinery £'000
<b>COST</b>			
At 1st January 2021	18,290	7,369	25,771
Additions	558	319	4,312
Disposals	(9,205)	(2,581)	(9,915)
Acquired through business combinations	182	-	2,062
At 31st December 2021	<u>9,825</u>	<u>5,107</u>	<u>22,230</u>
<b>ACCUMULATED DEPRECIATION</b>			
At 1st January 2021	9	2,314	14,047
Charge for year	192	482	651
Eliminated on disposal	-	(331)	(115)
Acquired through business combinations	-	-	1,537
At 31st December 2021	<u>201</u>	<u>2,465</u>	<u>16,120</u>
<b>NET BOOK VALUE</b>			
At 31st December 2021	<u>9,624</u>	<u>2,642</u>	<u>6,110</u>
At 31st December 2020	<u>18,281</u>	<u>5,055</u>	<u>11,724</u>
	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
<b>COST</b>			
At 1st January 2021	2,226	699	54,355
Additions	51	-	5,240
Disposals	-	(102)	(21,803)
Acquired through business combinations	245	29	2,518
At 31st December 2021	<u>2,522</u>	<u>626</u>	<u>40,310</u>
<b>ACCUMULATED DEPRECIATION</b>			
At 1st January 2021	1,511	433	18,314
Charge for year	94	72	1,491
Eliminated on disposal	-	(86)	(532)
Acquired through business combinations	208	19	1,764
At 31st December 2021	<u>1,813</u>	<u>438</u>	<u>21,037</u>
<b>NET BOOK VALUE</b>			
At 31st December 2021	<u>709</u>	<u>188</u>	<u>19,273</u>
At 31st December 2020	<u>715</u>	<u>266</u>	<u>36,041</u>

The net book value land included in Freehold Property amounted to £5,005,161 (2020: £5,005,161) and is not depreciated.



Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2021

14. **TANGIBLE ASSETS - continued**

<b>Company</b>	<b>Leasehold property £'000</b>
<b>COST</b>	
At 1st January 2021	1,101
Additions	<u>278</u>
At 31st December 2021	<u>1,379</u>
<b>ACCUMULATED DEPRECIATION</b>	
At 1st January 2021	-
Charge for year	<u>333</u>
At 31st December 2021	<u>333</u>
<b>NET BOOK VALUE</b>	
At 31st December 2021	<u>1,046</u>
At 31st December 2020	<u>1,101</u>

15. **INVESTMENTS**

<b>Company</b>	<b>Shares in group undertakings £'000</b>
<b>COST</b>	
At 1st January 2021	276,150
Additions	40,051
Disposals	(85,205)
Amounts written off investment	<u>(204,614)</u>
At 31st December 2021	<u>26,382</u>
<b>NET BOOK VALUE</b>	
At 31st December 2021	<u>26,382</u>
At 31st December 2020	<u>276,150</u>

Additions include £10,627,258 of share capital in Everest Dairies Limited and £21,803,855 of A4 and preference shares owned in WARP Snacks Topco Limited acquired and immediately disposed of to Vibrant Midco Limited.

Disposals includes £12,277,576 due to the disposal of the East End Foods Limited (formerly TRS International Foods Limited) business, £51,123,387 due to the disposal of the Eat Real business and the disposal of WARP Snacks Topco Limited to Vibrant Midco Limited.

## 15. INVESTMENTS - continued

The following were subsidiary undertakings of the Company at the year end:

Name	County of incorporation	Class of shares	Holding	Principal activity
TRS Wholesale Co. Limited *	England	Ordinary	100%	Trading
East End Foods Limited (formerly TRS)				
International Foods Limited *	England	Ordinary	100%	Trading
TRS Cash & Carry Limited **	England	Ordinary	100%	Trading
Spice & Seasoning International Limited ***	England	Ordinary	100%	Trading
East End Foods Holdings Limited ****	England	Ordinary	100%	Holding
East End Foods Properties Limited ****	England	Ordinary	100%	Holding
Vibrant Brands Limited (formerly East End Foods Limited) *****	England	Ordinary	100%	Property
Lakshmi & Son's Limited *****	England	Ordinary	100%	Trading
Narotam Holdings Limited	UAE	Ordinary	100%	Trading
Narotam TM Limited *****	England	Ordinary	100%	Holding
Everest Dairies Limited *	England	Ordinary	100%	Trading
Cashew Newco Limited *	England	Ordinary	100%	Trading
Fudco Limited *	England	Ordinary	100%	Non-trading

\* The registered office is Building 3 Croxley Park, Watford, Hertfordshire, WD18 8YG.

\*\* The registered office is TRS Head Office, Southbridge Way, The Green, Southall, Middlesex, UB2 4BY.

\*\*\* Spice &amp; Seasoning International Limited is a wholly owned subsidiary of TRS Wholesale Co. Limited. Its registered office is Unit 6 Hollands Centre, Hollands Road, Haverhill, Suffolk, CB9 8PR.

\*\*\*\* The registered office is East End House, Kenrick Way, West Bromwich, West Midlands, B71 4EA.

\*\*\*\*\* The registered office is 132 Townsend Drive, Attleborough Fields Industrial Estate, Nuneaton, England, CV11 6TJ.

\*\*\*\*\* The registered office is 31 High View Close, Leicester, LE4 9LJ.

In accordance with the company accounting policy note 2, the investment holdings were evaluated to confirm that the carrying values are appropriate with full impairment reviews carried out on material investments.

A detailed impairment model is prepared for the Group as a single cash generating unit. The model is based on the detailed budget approved by the board and an estimation of long term growth rate and discount rate. Sensitivities are applied to the key assumptions and discount rate and an impairment assessment is carried out to determine whether the accounting book value of the assets can be supported by the net present value of the estimated future cash flows. The assessment inevitably requires the board to exercise significant judgement of long term growth rates and future cash flows.

The recoverable amount of the investment has been assessed using the following key assumptions: long-term growth rate of 1.7%; discount rate of 10%. As a result of the impairment review, which considered the investment in equity and debt in the company's subsidiaries, the investment has been impaired by £204,614,000 (2021 : £nil impairment).

The net present value is inherently sensitive to changes in assumptions and actual performance of the associated businesses. As an illustration the below changes in assumption would lead to the following impact on the value in use model supporting this investment:

0.5% (increase) / decrease in discount rate	(3,347,000) / 4,835,000
10% (decline) / growth in cash flows	(12,753,000) / 12,753,000
	£

## Impact

Group

continued...

	2021	2020
	£'000	£'000
Raw materials and packaging	15,436	16,541
Work in progress	97	367
Finished goods	<u>33,012</u>	<u>17,914</u>
	<u>48,545</u>	<u>34,822</u>

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

Stocks are stated after provision for impairment of £665,685 (2020: £1,993,343).

The Company has no inventory (2020: £nil).

**Vibrant Foods Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2021**

**17. DEBTORS**

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	46,047	32,975	-	-
Other debtors	4,091	8,454	1,731	1,299
Corporation tax receivable	-	-	261	-
Amounts owed by group undertakings	-	-	25,119	-
Derivative financial instruments	877	792	838	-
VAT	1,088	1,153	-	-
Prepayments	6,129	3,974	1,251	1,050
	<u>58,232</u>	<u>47,348</u>	<u>29,200</u>	<u>2,349</u>

Trade debtors are shown net of an impairment amounting to £1,711,308 (2020: £1,322,848) as at the year end.

Amounts owed by group undertakings are unsecured, have interest charged at 10%p.a., have no fixed date of repayment and are repayable on demand.

**18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank loans - RCF (see note 20)	17,500	-	17,500	-
Other loans (see note 20)	99,482	106,071	-	-
Trade creditors	37,945	27,119	1,036	-
Amounts owed to group undertakings	-	-	120,852	117,376
Corporation Tax	1,194	2,489	-	-
Social security and other taxes	519	366	-	-
Other creditors	855	236	174	-
Derivative financial instruments	201	4,140	-	-
Accrued expenses	8,559	6,551	1,717	581
Accrued interest	-	318	-	318
	<u>166,255</u>	<u>147,290</u>	<u>141,279</u>	<u>118,275</u>

**19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank loans (see note 20)	<u>173,289</u>	<u>183,429</u>	<u>173,289</u>	<u>183,429</u>

**20. LOANS**

An analysis of the maturity of loans is given below:

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts falling due within one year or on demand:				
RCF	17,500	-	17,500	-
Amounts owed to group undertakings	<u>99,482</u>	<u>106,071</u>	<u>-</u>	<u>-</u>
	<u>116,982</u>	<u>106,071</u>	<u>17,500</u>	<u>-</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	<u>173,289</u>	<u>183,429</u>	<u>173,289</u>	<u>183,429</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2021

20. **LOANS - continued**

The RCF bore interest averaging at 2.817% (2020: 3.505%) during the year ended 31 December 2021. The RCF is unsecured and the repayment terms for each drawdown of the RCF vary from 61 days to 91 days.

Amounts owed to group undertakings due within one year are unsecured and are repayable on demand. Interest is charged at 10% per annum.

Bank loans represent £173,289,350 (2020: £183,429,000) net of issue costs, which bear interest averaging at 6.08% (2020: 6.81%). The bank debt is repayable 26 November 2026 and is secured against the assets of The Group.

21. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Group**

	<b>Land &amp; Buildings 2021 £'000</b>	<b>Others 2021 £'000</b>	<b>Land &amp; Buildings 2020 £'000</b>	<b>Others 2020 £'000</b>
Operating leases which expire:				
Within one year	2,133	424	1,238	516
Within 2 to 5 years	5,366	1,170	7,089	1,069
In more than 5 years	6,807	149	6,246	674
	<b>14,306</b>	<b>1,743</b>	<b>14,573</b>	<b>2,259</b>

**Company**

	<b>Land &amp; Buildings 2021 £'000</b>	<b>Land &amp; Buildings 2020 £'000</b>
Operating leases which expire:		
Within one year	384	384
Within 2 to 5 years	1,612	1,590
In more than 5 years	1,419	1,825
	<b>3,415</b>	<b>3,799</b>

22. **SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b>		<b>Company</b>	
	<b>2021 £'000</b>	<b>2020 £'000</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Bank loans	<u>173,289</u>	<u>183,429</u>	<u>173,289</u>	<u>183,429</u>

Under the terms of the Group's financial arrangements, security has been granted over the Group's assets to the Group's financiers.

**Vibrant Foods Limited**

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31st December 2021**

**23. FINANCIAL INSTRUMENTS**

The Group and Company have the following financial instruments:

		<b>Group</b>		<b>Company</b>	
		2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Financial assets that are debt instruments measured at amortised cost:					
Trade debtors	17	46,047	32,975	-	-
Other debtors	17	4,091	8,454	1,731	1,299
Amounts due from group undertakings	17	-	-	25,119	-
Financial assets at fair value through profit or loss:					
Derivative financial instruments	17	877	792	838	-
Financial liabilities that are debt instruments measured at amortised cost:					
Other loans	18	116,982	106,071	17,500	-
Trade creditors	18	37,945	27,119	1,036	-
Other creditors	18	855	236	174	-
Bank loans and overdrafts	19	173,289	183,429	173,289	183,429
Amounts owed to group undertakings	19	-	-	120,852	-
Accrued expenses	18	8,559	6,551	1,717	581
Financial liabilities at fair value through profit or loss:					
Derivative financial instruments	18	201	4,140	-	-

The Group has entered into an interest rate swap to receive interest at Libor-BBA and pay interest at an all in fixed rate of 1.04%, which is based on a Libor-BBA rate. The swap is based on a principal amount of £130,000,000, the principal amount of the group's sterling Senior loan facilities, and matures in 2023 on the same date as the Senior loans.

The instrument is used to hedge the group's exposure to interest rate movements on the Senior loan facility. The hedging arrangement fixes the total interest payable on the sterling Senior loan to 7.5%. The fair value of the interest rate swap is £838,295 (2020: £nil).

Cash flows on both the loan and the interest rate swaps are paid quarterly until 2023. During 2021, a hedging gain of £838,295 (2020: £nil) was recognised in the profit and loss for changes in the fair value of the interest rate swap.

**24. PROVISIONS FOR LIABILITIES**

	<b>Group</b>	
	2021 £'000	2020 £'000
Deferred tax	<u>2,819</u>	<u>3,348</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31st December 2021

24 PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £'000
Balance at 1st January 2021	3,348
Adjustment in respect of prior years	(1,212)
Charge to Income Statement during year	56
Amounts arising on acquisitions	<u>627</u>
Balance at 31st December 2021	<u>2,819</u>

The provision/(asset) is made up as follows:

	2021 £'000	2020 £'000
Fixed asset timing differences	570	470
Other timing differences	(108)	(13)
Revaluations/fair value adjustments	<u>2,357</u>	<u>2,891</u>
<b>Total deferred tax provision</b>	<b>2,819</b>	<b>3,348</b>

25. ACCRUALS AND DEFERRED INCOME

	Group	
	2021 £'000	2020 £'000
Deferred government grants	<u>35</u>	<u>72</u>

The company had no deferred government grants as at the year end (2020: £nil).

26. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£'000	£'000
28,305,282 (2020: 26,050,516)	Ordinary shares	£1	<u>28,305</u>	<u>26,051</u>

The company issued 2,254,766 (2020: 11,867,604) shares for a consideration of £2,254,766 (2020: £11,867,604).

**Vibrant Foods Limited**

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31st December 2021**

**27. ACCUMULATED LOSSES**  
**Group**

	Accumulated losses £'000
At 1st January 2021	(51,082)
Intercompany receivable remedial action	31,000
Dividends paid	(31,000)
Loss for the year	(34,149)
At 31st December 2021	(85,231)

**Company**

	Accumulated losses £'000
At 1st January 2021	(46,818)
Intercompany receivable remedial action	31,000
Dividends paid	(31,000)
Loss for the year	(232,986)
At 31st December 2021	(279,804)

**28. PENSION COMMITMENTS**

The group operates a number of defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension charges amounted to £419,085 (2020: £447,220). Outstanding contributions of £148,446 (2020: £71,301) were included within creditors at the year end.

**29. CAPITAL COMMITMENTS**

The Group did not have capital commitments at the year end (2020: £2,951,573).

The Company had no capital commitments as at the year end (2020: £nil).

**30. RELATED PARTY DISCLOSURES**

During the year, the Group made a payment of £123,008 (2020: £562,722) to Exponent Private Equity Partners IV, LP for services pertaining to the acquisitions.

During the year the Group disposed of the Eat Real business (including the legal entities Eat Real Limited, Eat Real Co 2 Limited, Eat Real Snacks Private Limited and Eat Real Snacks USA LLC) on 25 February 2021 to Warp Bidco Limited, a company under common control (see note 10).

During the year, the Group made a payment of £1,500,000 (2020: £nil) to WARP Snack Debtco Limited, a company under common control.

During the year, under a transitional services arrangement, the group acted as an agent for Eat Real Limited making sales of £30,721,146 on their behalf. The group also made purchases incurring costs of £33,466,279 in association with this agreement on behalf of Eat Real Limited and invoiced them to recover these costs. Eat Real Limited is a company under common control. At the year end the amount due to Eat Real Limited was £3,044,000.

**Company**

The company has taken advantage of exemption, under the Financial Reporting Standard FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**31. POST BALANCE SHEET EVENTS**

In the period since December 2021 the Group has received cash injections of £10 million in October 2022, £10 million in January 2023 and £15 million in March 2023 from the sale of its remaining investment in Warp Group Limited (30%). The sale was to its common shareholder Exponent for book value.

On 31 March 2023 the Group entered into signed a waiver and consent letter with Pemberton and HSBC. On 4th May 2023 the Group signed Amendment & restatement agreement from its Lenders detailing the conditions under which future funding should be provided. This agreement with Lenders provided £2 million in funding. Subject to due diligence to be complete by 31 August the Lenders will provide a further £12 million.

The agreement also provides for the forgiveness of all covenants, a new cash covenant equal to a minimum of £2 million until



31 August 2023 and £4 million after that date. There is no other covenants until July 2024.

At the same time Exponent agreed to, subject to due diligence to be complete by 31 August 2023, a further equity commitment of £18 million.

On 29 July 2022, the Group sold the assets of TRS Cash & Carry Limited which is the cash & carry business in Southall, South London. It then ceased to trade TRS Cash & Carry Limited and collected out its assets and settled its liabilities.

32. **ULTIMATE CONTROLLING PARTY AND PARENT UNDERTAKING**

The ultimate controlling party is Exponent Private Equity Partners IV, LP, a fund managed by Exponent Private Equity LLP. The immediate parent company is Vibrant Debtco Limited.

Vibrant TopCo Limited is the parent undertaking of the largest group and Vibrant Foods Limited is the parent undertaking of the smallest group, which prepare publicly available consolidated financial statements. Consolidated financial statements are available from Companies house, Cardiff, CF14 3UZ.