

Browns Food Group Limited
Annual report and financial statements
for the year ended 31 December 2020

Registered Number SC236133



Browns Food Group Limited

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Browns Food Group Limited

Directors and advisers

Directors

W Godfrey

A G Hill (resigned 6 November 2020)

N Clark (appointed 2 November 2020)

Independent auditor

KPMG LLP

Chartered Accountants and Statutory Auditors

319 St Vincent Street

Glasgow

G2 5AS

Solicitor

Dentons UK and Middle East LLP

1 George Square

Glasgow

G2 1AL

Registered office

Kelloholm Industrial Estate

Greystone Ave

Kelloholm

Sanquhar

Dumfriesshire

DG4 6RB

Registered number

SC236133

Banker

Bank of Scotland

1 Castle Terrace

Edinburgh

EH1 2DP

Browns Food Group Limited

Strategic report for the year ended 31 December 2020

The directors' present their strategic report for the year ended 31 December 2020. The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Principal activities

The principal activities of the group are the supply of manufactured meat to distributors and retailers and the supply of meat-based ready meals to retailers. The activities of the company are as a holding company.

Business review

The Directors are pleased with the overall performance of the Group. Sales generated from the retail sector remained strong during the year with the foodservice sector in the main being much weaker to prior years as a result of Covid restrictions. The consolidated statement of changes in equity on page 15 shows a profit for the year of £7,527,000 (2019: £7,591,000). At 31 December 2020, the Group's net assets were £48.7m (2019 : £41.1m).

A revised debt facility requirement of £15m, which is a reduction of £10m, has been agreed with Bank of Scotland PLC. That is for 3 years and extends to the end of June 2024.

Key performance indicators

	2020	2019	Movement
Revenue (£m)	163.3	175.9	(13.0)
PBIT (£m)	9.2	9.6	(0.6)
EBITDA (£m)	12.8	12.8	(-)

The directors' focus on a monthly basis on the detailed review and analysis of profit before interest and tax and EBITDA as well as the monitoring of net headroom and working capital compared with budgets. The EBITDA (excluding grant income) for the year was £12.79m (2019: £12.85m). This allows for a full understanding of the development, performance and position of the group.

Principal risks and uncertainties

The key business risks of competition from other suppliers, price, availability of product and customer and employee retention are managed by strong core team of senior executives and Board of Directors. Whilst these risks could have an impact on the management and delivery of the business and the overall group strategy, they are managed on a day-to-day basis by close control overall all of the group operations. The detailed industry knowledge within that team allows the business to adapt quickly if required and be proactive in their approach. Managing risk through the team's strong knowledge of the market and continually reviewing externally available market information.

Covid-19

The COVID outbreak has proved to be challenging for the group particularly through the early part of 2020, however we have not seen any material impact on our operations throughout the pandemic. We put measures in place to ensure our sites were secure as we continued to support the wellbeing of our employees. We utilised the government's job retention scheme and had a number of people on furlough throughout the year. Restructuring took place towards the end of the year with some

Browns Food Group Limited

Strategic report for the year ended 31 December 2020 (continued)

redundancies within the group but that has allowed us to be flexible and well positioned as we go through 2021.

Brexit

With the UK leaving the EU on the 31st January and the subsequent transition period until the end of December 2020, the Directors and senior management team have worked to ensure the impact on the business of Brexit through that period has been minimal. We continue to monitor that but are comfortable we would be able to adapt quickly if required to any potential impacts going forward.

Financial risk management

The group's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risk, liquidity risk and interest rate risk. Whilst the group does not use complex financial instruments, they closely monitor exchange rates and hedges as it considers appropriate. The Group maintains strong relationships with its key customers with credit limits being closely managed and reviewed regularly within established parameters. The directors regularly monitor levels of debt finance and the related finance costs:

Energy use and carbon emissions

The Streamlined Energy and Carbon Reporting (SECR) regulations were implemented on 1 April 2019. This is the first such report prepared by the Group and encompasses the period 1 January 2020 to 31st December 2020 with calculations made for building related energy for natural gas (scope 1) and electricity (scope 2), transport related energy for company vehicles (scope 1) and transport related energy for employee vehicles (scope 3). UK government GHC conversion factors have been used for the calculations.

GHC Emissions and Energy Use Data	2020
Gas (kwh)	19,256,601
Electricity (kwh)	25,079,007
Transportation (kwh)	13,759,605
Emissions from combustion of gas (Scope 1)	3,540.71
Emissions from combustion of fuel for transport purposes (scope 1)	3,531.37
Emissions from business travel in rental cars or employee owned vehicles where company is responsible for purchasing the fuel (scope 3)	10.88
Emissions from purchased electricity (scope 2)	5,846.92
Total Gross CO2e based on above	12,929.89

Browns Food Group Limited

Strategic report for the year ended 31 December 2020 (continued)

Intensity ratio : tCO₂e / Employee

11.6

During the 2020 financial year the Group have commenced with the construction of a gas CHP plant. This will provide an optimised approach to energy use, lowering both grid gas and grid based electricity demand.

S172 Statement

The Directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

'A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

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

As part of their appointment, a Director is briefed on their duties and they are able to seek professional advice on these. In a family owned business such as ours the Directors fulfil their duties by close day to day involvement with management and employees as well as through a framework that delegates decision making to employees of the Company.

The following paragraphs summarise how the Directors' fulfil their duties:

Long-term decision making

As a family-owned business the directors are always mindful of the long-term sustainability of the company when making decisions about risk. We constantly identify, evaluate, manage and mitigate the risks we face and the details of the principal risks and uncertainties we face are set out elsewhere in this report.

Browns Food Group Limited

Strategic report for the year ended 31 December 2020 (continued)

The interests of the Company's employees

The Company is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, customers and communities and people are at the heart of our business. For our business to succeed we need to manage our people's performance and develop and bring through talent while ensuring we operate as efficiently as possible. We must also ensure we share common values that inform and guide our behaviour, so we achieve our goals in the right way. Our approach to employee involvement is set out elsewhere in this report.

Business relationships

Our strategy prioritises organic growth driven by maximising the relationships we have with customers and suppliers across the wider Browns Food Group. To do this, we need to develop and maintain strong customer and supplier relationships. As part of this we regularly review accounts with our customers and audit our agreements with key suppliers.

Community and environment

The company is embedded in our local community and our approach is to use our position of strength to create positive change for the people and communities with which we interact.

The need to act fairly between members of the Company

As outlined elsewhere in this report Browns Food Group Limited is a wholly owned subsidiary of BFG (Holdings) Limited which is 100% owned and controlled by the Godfrey family.

By order of the Board



N Clark
Director
15th September 2021

Kelloholm Industrial Estate
Greystone Ave
Kelloholm
Sanquhar
Dumfriesshire
DG4 6RB

Browns Food Group Limited

Directors' report for the year ended 31 December 2020

The directors present their directors' report and the audited financial statements of the group and company for the year ended 31 December 2020.

Directors

The directors of the company at 31 December 2020, who have held office during the year and to the date of this report are listed on page 1.

Future outlook and going concern

The outbreak of Covid-19 has proved challenging for the company as it has for every business. This, as well as Brexit, provides a very uncertain marketplace for the UK food sector in which we operate. Notwithstanding this the directors believe we are in a good position to take advantage of these conditions and continue to deliver a strong financial performance.

The directors believe that it is appropriate to prepare these financial statements on a going concern basis for the reasons set out on page 18.

Dividends and transfer to reserves

No dividends were declared in 2020 (2019: £nil). The profit for the financial year of £7,498,000 (2019: £7,591,000) will be transferred to reserves. The directors have proposed and approved on 8th March 2021 a final ordinary dividend in respect of the current financial year of £1,500,000. This has not been included within creditors as it was not approved before the year end.

Charitable and political donations

The donations made by the group during the year ended 31 December 2020 for charitable purposes were £50 (2019: £5,650). No political donations were made (2019: £nil) nor was any political expenditure incurred (2019: £nil).

Research and development

The group continues to carry out research and development activities into new product areas.

Employment of disabled persons

It is the policy of the group that disabled people should receive full and fair consideration for all job vacancies for which they are suitable applicants. Employees who become disabled during their working life will be retained in employment wherever possible and will be given help with the necessary rehabilitation and training.

Employee involvement

It is the policy of the group to consult employees and employee representatives wherever possible to support communication and thereby:

- provide information regarding the group's performance;
- ensure that employees' views are known as part of our decision making process; and
- discuss matters of concern or importance such as employment, personnel development, and welfare.

Insurance

The company has Directors' and Officers' liability insurance in respect of itself and its directors.

Browns Food Group Limited

Directors' report for the year ended 31 December 2020 (continued)

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Annual Report, Strategic Report, the Directors' Report and the group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the group's profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Disclosure of information to auditor

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 auditor is unaware; and each director has taken all the steps that he/ she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 2.

Browns Food Group Limited

Directors' report for the year ended 31 December 2020 (continued)

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



N Clark

Director

15th September 2021

Kelloholm Industrial Estate
Greystone Ave
Kelloholm
Sanquhar
Dumfriesshire
DG4 6RB

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROWNS FOOD GROUP LIMITED

Opinion

We have audited the financial statements of Browns Food Group Limited ("the company") for the year ended 31 December 2020 which comprise the Consolidated Profit and Loss account, Consolidated and Company Balance Sheets, Consolidated and Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROWNS FOOD GROUP LIMITED (CONTINUED)

- Enquiring of directors as to the Group's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit and remained alert to any indications of fraud. As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue stream is recorded in the wrong period around the year end and the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to income recognition because of the routine and non-complex transactions and the limited judgement in respect of revenue recognition.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the effectiveness of some of the Group-wide fraud risk management controls. We have nothing to report in these respects. We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors and management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably. Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety employment law, and certain aspects of company legislation recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROWNS FOOD GROUP LIMITED (CONTINUED)

planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROWNS FOOD GROUP LIMITED (CONTINUED)

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Lyn Niccolls (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
319 St Vincent Street, Glasgow, G2 5AS

17 September 2021

Browns Food Group Limited

Consolidated profit and loss account for the year to 31 December 2020

	Note	2020 £'000	2019 £'000
Turnover	5	163,323	175,907
Cost of sales		(121,883)	(136,129)
Gross profit		41,440	39,778
Distribution costs		(3,591)	(3,893)
Administrative expenses		(30,618)	(27,027)
Other operating income		1,955	768
Profit before interest and taxation		9,186	9,626
Interest payable and similar expenses	8	(7)	(242)
Profit before taxation		9,179	9,384
Tax on profit	9	(1,681)	(1,793)
Profit for the financial year		7,498	7,591

All amounts relate to continuing activities.

There are no amounts relating to other comprehensive income aside from the above result for the year.

Notes on pages 18 to 44 form part of these financial statements.

Browns Food Group Limited

Consolidated and company balance sheets as at 31 December 2020

	Note	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Fixed assets					
Tangible fixed assets	10	10,526	9,148	-	-
Subsidiary investments	24	-	-	8,898	8,898
Total fixed assets		10,526	9,148	8,898	8,898
Current assets					
Inventories	11	26,891	18,387	-	-
Trade and other receivables	12	36,804	37,884	5,154	3,257
Cash at bank and in hand	13	7,371	5,064	24,147	24,597
Total current assets		71,066	61,335	29,301	27,854
Creditors: amounts falling due within one year	14	(32,522)	(29,103)	(2,695)	(2,154)
Net current assets		38,544	32,232	26,606	25,700
Total assets less current liabilities		49,070	41,380	35,504	34,598
Non-current liabilities					
Deferred revenue	17	(431)	(239)	-	-
Net assets		48,639	41,141	35,504	34,598
Capital and reserves					
Called up share capital	18	4,750	4,750	4,750	4,750
Other reserves	18	540	540	540	540
Retained earnings		43,349	35,851	30,214	29,308
Equity Shareholders' funds		48,639	41,141	35,504	34,598

The notes on pages 18 to 44 are an integral part of these financial statements.

The financial statements were authorised for issue by the board of directors on 15th September 2021 and were signed on its behalf.

W Godfrey
Director



Browns Food Group Limited



N Clark
Director

Browns Food Group Limited

Registered Number SC236133

Consolidated Statement of Changes in Equity 2019

	Called up share capital £000	Other reserves £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2019	4,750	540	28,260	33,550
Profit for the year	-	-	7,591	7,591
Balance at 31 December 2019	4,750	540	35,851	41,141

Consolidated Statement of Changes in Equity 2020

	Called up share capital £000	Other reserves £000	Profit and loss account £000	Total Equity £000
Balance at 1 January 2020	4,750	540	35,851	41,141
Profit for the year	-	-	7,498	7,498
Balance at 31 December 2020	4,750	540	43,349	48,639
Set aside for dividends declared after the reporting period			(1,500)	(1,500)
Total			47,139	47,139

Browns Food Group Limited

Company Statement of Changes in Equity 2019

	Called up share capital £000	Other reserves £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2019	4,750	540	29,420	34,710
Loss for the year	-	-	(111)	(111)
Balance at 31 December 2019	4,750	540	29,309	34,599

Company Statement of Changes in Equity 2020

	Called up share capital £000	Other reserves £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2020	4,750	540	29,309	34,599
Profit for the year	-	-	905	905
Balance at 31 December 2020	4,750	540	31,214	35,504
Set aside for dividends declared after the reporting period			(1,500)	(1,500)
Total			29,714	34,004

Browns Food Group Limited

Consolidated statement of cash flows for the year to 31 December 2020

	Note	2020 £'000	2019 £'000
Cash generated from operations	19	5,849	13,184
Tax paid		(1,522)	(1,919)
Net cash generated from operating activities		4,327	11,265
Cash flows from investing activities			
Purchase of property, plant and equipment		(5,629)	(4,671)
Grant received		1,611	124
Proceeds from sale of property, plant and equipment		580	376
Net cash used in investing activities		(3,438)	(4,171)
Cash flows from financing activities			
Drawdown/(repayment) of CID facility		1,425	(5,923)
Interest paid		(7)	(242)
Net cash used in financing activities		1,418	(6,165)
Net increase in cash and cash equivalents		2,307	929
Opening cash and cash equivalents		5,064	4,135
Closing cash and cash equivalents		7,371	5,064

Browns Food Group Limited

Notes to the financial statements

1 General information

Browns Food Group Limited ('the Company') and its subsidiaries (together 'the Group') supply manufactured meat and ready meals to distributors and retailers throughout the UK. Details of the Group's activities during the year are provided in the Strategic Report. The Company is a private company limited by shares and is incorporated in Scotland. The address of its registered office is Kelloholm Industrial Estate, Greystone Avenue, Kelloholm, Sanquhar, Dumfriesshire, DG4 6RB and the registered number is SC236133.

2 Statement of compliance

The Group and individual financial statements of Browns Food Group Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements are prepared on the historical cost basis.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group 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 in note 4.

(b) Going concern

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate, notwithstanding the significant challenges posed by the current global Covid-19 crisis, for the following reasons.

At the year end, the Group had net assets of £48,668,000 and net current assets of £38,572,000. It manages its day to day and medium-term funding requirements through its debt facility with Bank of Scotland plc. This facility is forecast to provide sufficient liquidity to finance seasonal cash flows in the ordinary course of business. The Bank of Scotland facility was due to expire in June 2021 and the Group successfully concluded with Bank of Scotland a new facility until June 2024.

The global Covid-19 coronavirus pandemic is impacting all businesses. As a result of the pandemic, the nature of the Group's business is such that in the next twelve months, there is expected to be some unpredictable variation in the value and timing of cash inflows. The directors have prepared projected cash flow information for the twelve months from the date of approval of these financial statements. These

Browns Food Group Limited

Notes to the financial statements (continued)

3 Summary of significant accounting policies (continued)

(b) Going concern (continued)

forecasts have also considered plausible downside risks which they believe most accurately reflect the current and medium-term status of the business. These risks include commercial negotiations with key customers, potential increases in raw materials and expected outcomes of key strategic projects. On the basis of this cash flow information the directors consider that no further facilities will be required to enable the company to continue to meet its financial obligations as they fall due during the next twelve months.

Accordingly, the directors continue to adopt the going concern basis in preparing these financial statements.

(c) Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings together with the Group's share of the results of associates made up to 31 December. Subsidiaries are entities over which the Group has the power to govern the financial and operating policies and generally accompanies a shareholding of more than one half of the voting rights. All Group companies apply the Group's accounting policies and prepare financial statements to 31 December.

(d) Foreign currency

The Group financial statements are presented in pound sterling and rounded to thousands. The Company's functional and presentation currency is the pound sterling. Assets, liabilities, revenues and costs denominated in foreign currencies are recorded at the rates of exchange ruling at the date of the transactions; monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. All resulting differences are dealt with in the profit and loss account in the year in which they arise.

(e) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is recognised only when it is probable that the economic benefits associated with a transaction will flow to the Group and the amount of revenue can be measured reliably. Revenue from product sales is recognised when the significant risks and rewards of ownership have been transferred to the buyer, which is normally upon delivery of products and customer acceptance, if any. Revenue is stated net of sales taxes (such as VAT) rebates and discounts.

(f) Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Browns Food Group Limited

Notes to the financial statements (continued)

3 Summary of significant accounting policies (continued)

(g) Employee benefits

The group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans. The assets of the schemes are held separately in independently administered funds. These pension contributions are charged to the profit and loss account in the year in which they are made.

(h) Taxation

The tax charge represents the sum of tax currently payable and deferred tax. Tax currently payable is based on the taxable profit for the year. Taxable profit differs from the profit reported in the income statement due to items that are not taxable or deductible in any period and also due to items that are taxable and deductible in a different period. The Group's liability for current tax is calculated using tax rates enacted or substantively enacted at the balance sheet date. Full provision is made on a non discounted basis for deferred taxation liabilities arising from differences. Deferred tax assets are recognised to the extent that they are regarded as recoverable.

(i) Tangible fixed assets

Property, plant and equipment (PP&E) is stated at cost less accumulated depreciation and impairment. No depreciation is charged with respect to freehold land and assets in the course of construction. Depreciation is calculated using the straight line method over the following estimated useful lives of the assets:

Leasehold property	-	25 – 50 years
Motor vehicles	-	4 – 5 years
Plant, equipment, fixtures and fittings	-	3 – 10 years

When estimating the useful life of an asset group, the principal factors the Group takes into account are the durability of the assets, the intensity at which the assets are expected to be used and the expected rate of technological developments. Asset lives and residual values are assessed at each balance sheet date.

(j) Investments

Investment in a subsidiary company is held at cost less accumulated impairment losses.

(k) Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to sell. Inventories are recognised as an expense in the period in which the related revenue is recognised. Cost is determined on the first in, first out (FIFO) method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition. At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

Browns Food Group Limited

Notes to the financial statements (continued)

3 Summary of significant accounting policies (continued)

(l) Cash and cash equivalents

Cash and cash equivalents include cash in hand and other short-term bank deposits with maturities of three months or less. Bank overdrafts are included within borrowings in current liabilities. Where the Group uses pooling arrangements with a right of set-off, overdrafts and cash are netted and included in the appropriate category depending on the net position of the pool.

(m) Financial Instruments

The Group does not normally apply hedge accounting in respect of forward foreign exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies.

(n) Dividends

Dividends to the Group's shareholders are recognised as a liability in the period in which the dividends are approved by shareholders. Interim dividends are recognised when paid.

(o) Related party disclosures

The group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

(p) Grants

Government grants in respect of capital expenditure are credited to deferred revenue, a proportion of which is transferred to revenue annually over the expected lives of the assets. Employment grants received by the group are credited against the expenses to which they relate.

(q) Research and development

All research and development expenditure is charged to the profit and loss account in the year in which it is incurred.

(r) Job Retention Scheme

Receipts from the HM Revenue and Customs Job Retention Scheme 2020: £1,165,000 (2019: nil) have been included within other operating income in the financial statements (page 13). There were no sums outstanding at the year end. There were no unfulfilled conditions

4 Critical accounting judgements and estimation uncertainty

The preparation of the financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. These estimates are based on management's best knowledge of the amount, event or actions and actual results ultimately may differ from those estimates. The

Browns Food Group Limited

Notes to the financial statements (continued)

estimates and assumptions that could result in a material adjustment to the carrying amounts of assets and liabilities are addressed below.

(a) Provisions

The Group records provisions where it has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the obligation can be made. The recording of provisions is an area which requires the exercise of management judgement relating to the nature, timing and probability of the liability and typically the Group's balance sheet includes provisions for doubtful debts and inventory.

5 Turnover

Analysis of turnover by geography:

	2020	2019
	£'000	£'000
Geographical segment		
United Kingdom	158,194	169,322
Rest of Europe	5,129	6,585
	163,323	175,907

6 Expenses and auditor's remuneration

	2020	2019
	£'000	£'000
Included in profit are the following:		
Depreciation	3,869	3,443
Profit on disposal of assets	(199)	(214)
Operating lease charges	2,790	2,729
Grant credit	(265)	(214)
Fees payable to the Group's auditor for -		
Audit of parent company and consolidated accounts	95	81
Tax compliance services	50	55
Other non-audit	4	6
Total amount payable to the Group's auditor	149	142

Browns Food Group Limited

Notes to the financial statements (continued)

7 Staff numbers and costs

Employees

The average monthly number of persons (including executive directors) employed by the Group during the year was:

	2020	2019
	No.	No.
Office and management staff	226	241
Production and distribution staff	1,055	1,071
	1,281	1,312

	2020	2019
	£'000	£'000
The aggregate payroll costs of these persons were as follows:		
Wages and salaries	26,661	26,460
Social Security costs	1,950	1,884
Other pension costs	490	465
Staff costs charged to profit and loss	29,101	28,809

	2020	2019
	£'000	£'000
Directors		
The directors' emoluments were as follows:		
Aggregate emoluments and benefits	340	354
Pension contributions	23	31

Highest paid director

The highest paid director's emoluments were as follows:

	2020	2019
Aggregate emoluments and benefits excluding pension contributions from subsidiary	191	196
Pension contributions – money purchase scheme	10	23

Post-employment benefits are accruing to two directors (2019: two) under a money purchase pension scheme.

Browns Food Group Limited

Notes to the financial statements (continued)

8 Interest payable and similar charges

	2020	2019
	£'000	£'000
Interest expense on bank borrowings	(7)	(242)
Interest payable and similar charges	(7)	(242)

9 Taxation

Total tax expense recognised in the profit and loss account	2020	2019
	£'000	£'000
Current tax:		
- Current tax on income for the year	1,613	1,970
- Adjustment in respect of prior years	(46)	(15)
Total current tax	1,567	1,955
Deferred tax:		
- Origination and reversal of timing differences	213	(172)
- Adjustment in respect of prior years	28	10
- Effect of Tax rate change on opening balance	(127)	-
Total deferred tax (see note 16)	114	(162)
Total tax	1,681	1,793

Browns Food Group Limited

Notes to the financial statements (continued)

9 Taxation (continued)

(a) Reconciliation of effective tax rate

	2020 £'000	2019 £'000
Profit for the year	7,527	7,591
Total tax expense	1,652	1,793
Profit before taxation	9,179	9,384
Profit multiplied by the standard rate of tax in the UK of 19.00% (2019:19.00%)	1,744	1,783
Effects of:		
Fixed asset differences	16	(8)
Expenses not deductible for tax purposes	13	13
Income not taxable	-	(18)
Other tax adjustments and reliefs	53	12
Chargeable gains	-	(4)
Adjustments to tax charge in respect of prior years	(46)	(5)
Adjustments to tax charge in respect of prior years - deferred tax	28	-
Rate differences	(127)	20
Tax charge for the year	1,681	1,793

(b) Tax rate changes

The main UK corporation tax rate reduced from 20% to the current rate of 19% on 1 April 2017. In his Budget speech on 11 March 2020, the Chancellor announced the cancellation of the planned reduction in the main UK corporation tax rate to 17% that had previously been enacted, therefore UK deferred tax assets and liabilities have been remeasured at 19% for the current year. In the 3 March 2021 Budget speech, it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the Company's future tax charge.

Browns Food Group Limited

Notes to the financial statements (continued)

10 Tangible fixed assets

Group	Leasehold land and buildings	Motor vehicles	Plant, equipment, fixtures & fittings	Total
At 31 December 2019	£'000	£'000	£'000	£'000
Cost	333	7,194	38,848	46,375
Accumulated depreciation and impairment	(17)	(5,250)	(31,960)	(37,227)
Net book amount	316	1,944	6,888	9,148
Year ended 31 December 2019				
Opening net book amount	316	1,944	6,888	9,148
Additions	2,030	557	3,042	5,629
Disposals	(44)	(71)	(267)	(382)
Depreciation	(13)	(998)	(2,858)	(3,869)
At 31 December 2020	2,289	1,432	6,805	10,526
Cost	2,317	7,277	41,330	50,924
Accumulated depreciation and impairment	(28)	(5,845)	(34,525)	(40,398)
Net book amount	2,289	1,432	6,805	10,526

Browns Food Group Limited

Notes to the financial statements (continued)

11 Inventories

Group	2020 £'000	2019 £'000
Raw materials and consumables	4,262	4,061
Work in progress	778	780
Finished goods	21,851	13,546
	26,891	18,387

Raw materials, consumables and changes in work in progress and finished goods recognised in cost of sales in the year amounted to £93,337,000 (2019: £100,651,000). The write down of inventory to net realisable value amounted to £5,765,977 (2019: £4,604,219).

12 Trade and other receivables

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Trade debtors	30,997	31,940	3	45
Amounts owed by related parties (note 22)	486	-	362	-
Amounts owed by group undertakings	-	-	1,246	1,104
Other receivables	1,364	1,401	64	49
Prepayment and accrued income	2,957	3,429	1,323	1,211
Corporation tax	-	-	2,122	840
Deferred tax (note 16)	1,000	1,114	34	8
	36,804	37,884	5,154	3,257

Amounts owed by group undertakings are unsecured, interest free and are repayable on normal trading terms applicable to the group's trade debtors.

Browns Food Group Limited

Notes to the financial statements (continued)

13 Cash and cash equivalents

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Cash in hand	-	2	-	-
Cash at bank	7,371	5,062	24,147	24,597
Cash at bank and in hand	7,371	5,064	24,147	24,597
Bank borrowings and loans				
CID loan	(5,463)	(4,038)	-	-
Bank borrowings and loans	(5,463)	(4,038)	-	-

The Group agreed a debt facility with Bank of Scotland plc in June 2021, comprising a 3-year borrowing facility of up to £15.0 million in place until June 2024 and secured over part of the Group's trade receivables. This CID facility bears interest at normal commercial rates.

The Group operates a multi-currency pooling facility and at 31 December 2020 all bank overdrafts are repayable on demand.

Fair value of financial instruments

The fair values of cash and bank borrowings at 31 December 2020 all materially equate to book value.

Borrowing facilities

The Group has committed undrawn borrowing facilities available at 31 December 2020 in respect of which all conditions precedent had been met of £19,537,000 (2019: £20,962,000).

Browns Food Group Limited

Notes to the financial statements (continued)

14 Creditors: amounts falling due within one year

Due within one year

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Bank loans and overdrafts (note 13)	5,463	4,038	-	-
Trade creditors	17,545	17,910	1,673	1,346
Amounts due to related parties (note 22)	1,507	1,766	-	-
Amounts due to group undertakings	20	46	91	342
Other taxation and social security	799	835	234	215
Accruals and deferred revenue	6,156	3,502	696	251
Corporation tax	1,032	1,006	-	-
	32,522	29,103	2,694	2,154

Amounts owed to group undertakings are unsecured, interest free and are repayable on normal trading terms applicable to the group's trade creditors.

There are no trade and other payables falling due after more than one year.

15 Post employment benefits

The Group operates a defined contribution scheme for employees and contributions are made to the personal pension schemes of staff members within the group. These contributions are charged to the profit and loss account in the year in which they are made.

In the year to 31 December 2020, the group contributed £489,780 (2019: £465,010) to those schemes. Contributions outstanding at the year-end were £nil (2019: £nil).

Browns Food Group Limited

Notes to the financial statements (continued)

16 Deferred tax asset

Deferred taxation comprises:

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Depreciation in advance of capital	895	804	-	8
Short term timing differences	101	307	34	-
Capital gains	4	3	-	-
Deferred tax asset	1,000	1,114	34	8

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Opening deferred tax balance	1,114	952	8	59
(Charged) / credited to the profit and loss account (see note 9)	(114)	162	26	(51)
Deferred tax asset	1,000	1,114	34	8

17 Deferred revenue

Group – Grants

	2020 £'000	2019 £'000
At 1 January	412	502
Grant received within the year	446	124
Released to other operating income in the profit and loss account in the year	(265)	(214)
At 31 December	593	412
Less:		
Included within accruals and deferred revenue	(162)	(173)
Non current deferred revenue	431	239

Browns Food Group Limited

Notes to the financial statements (continued)

18 Share capital and other reserves

Group and company – ordinary shares of 10p each

	Number 000's	£'000
Allotted and fully paid		
At 1 January 2020 and 31 December 2020	47,500	4,750

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

Group and Company – other reserves

	Merger reserve £'000	Capital redemption reserve £'000	Total £'000
At 1 January 2020 and 31 December 2020	500	40	540

Browns Food Group Limited

Notes to the financial statements (continued)

19 Notes to the cash flow statement

	2020 £'000	2019 £'000
Profit for the financial year	7,498	7,591
Adjustments for:		
Tax on profit	1,681	1,793
Net interest expense	7	242
Operating profit	9,186	9,626
Depreciation on tangible fixed assets	3,869	3,443
Gain on disposal of tangible fixed assets	(199)	(214)
Amortisation of grant income	(265)	(214)
JRS Grant released	(1,165)	-
Working capital movements:		
- (Increase)/decrease in stocks	(8,504)	3,971
- Decrease/(Increase) in debtors	968	(1,775)
- Increase/(decrease) in creditors	1,959	(1,653)
Net cash inflow from operating activities	5,849	13,184

Analysis of changes in net debt

	At 1 January 2020 £'000	Cashflow £'000	At 31 December 2020 £'000
Cash at bank and in hand	5,064	2,307	7,371
Cash and cash equivalents	5,064	2,307	7,371
Borrowings secured on trade receivables	(4,038)	(1,425)	(5,463)
Net debt	1,026	882	1,908

Browns Food Group Limited

Notes to the financial statements (continued)

20 Operating leases

Non-cancellable operating lease rentals are payable as follows:	2020	2019
	£'000	£'000
Less than one year	2,778	2,790
Between one and five years	11,112	11,160
More than five years	2,778	5,580
	16,668	19,530

During the year £2,790,000 was recognised as an expense in the profit and loss account in respect of operating leases (2019: £2,728,655).

21 Contingent liabilities

The following subsidiaries of the Group, Belcher (Holdings) Limited SC338271, Farmhouse Test Kitchen Limited SC274693, Ayrshire Limited SC407942, Cheshunt Meats Limited SC407943, Border Sausage Company Limited SC293968, Empire Proteins Limited SC407945, James Aitken & Sons (Meat Products) Limited SC311283, PW Foods Limited SC311281, Locharbriggs Coldstore Limited SC294308, Tilbury Transport Limited 07291411, Fenton Barns (Manufacturing) Limited SC074992, Harlow Meats Limited 06012242, Dalfibble Foods Limited SC423430, Mostell Meats Limited SC423427, Greystone Trading Limited SC431493, Borders Gourmet Limited SC407944, Mostell Logistics Limited SC345013, Tilbury Coldstore Limited 7287246, Halls Direct Limited SC439707, Stevensons Direct Limited SC463151, Kelso Trading Limited SC478351, Ridgway Trading Limited SC478353, Nith Trading Limited SC478443, Ramage Distribution Limited SC473558, Foodpro (Manufacturing) Limited (formerly Lairds Foods Limited) SC431311, Halls Products Limited SC436407, The Locharbriggs Bacon Company Limited SC511520, Crawick Foods Limited SC563158, Sanquhar Foods Limited SC563149, Urr Water Foods Limited SC563154, Wanlockhead Limited SC563151 Fenton Barns (Scotland) Limited SC196782, Hall's of Scotland Limited SC076842, Mostell Limited 04013430 and Mostell Seafood Limited 08794432 have taken advantage of the permitted exception from the requirements of the Companies Act 2006 relating to the audit of accounts under Section 479A of the Companies Act 2006. As such, Browns Food Group Limited has provided guarantees to these subsidiaries under Section 479C of the Companies Act 2006 in respect of the financial year ended 31 December 2020.

22 Related party transactions

During the year the group traded with a related party Biggar Cars Limited. It made sales of £34,102 (2019: £164,088) and had a year-end receivable balance of £34,102 (2019: £nil). It made purchases of £33,999 (2019: £185,230) and had a year-end payable balance of £33,999 (2019: £nil).

During the year the group also traded with a related party GF1 Investments Limited. It incurred property rental and storage expenses of £6,522,948 (2019: £2,728,655) and had a year-end payable balance of

Browns Food Group Limited

Notes to the financial statements (continued)

£1,473,602 (2019: £1,765,865). It made sales of £594,626 (2019: £nil) and had a year-end balance of £452,417 (2019: £nil).

23 Controlling party

BFG (Holdings) Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2020. There is no individual controlling party in BFG (Holdings) Limited however all shares are held by the Godfrey family. The consolidated financial statements of BFG (Holdings) Limited are available from BFG (Holdings) Limited, Kelloholm Industrial Estate, Kirkconnel, Dumfriesshire, DG4 6RB.

24 Subsidiaries and Investments

	Investments in subsidiary undertakings
At January 2020	9,869
Impairment of investments	(971)
At 1 January 2020	8,898
Impairment of investments	-
At 31 December 2020	8,898

The impairment of £971k relates to the company's investments in Fenton Barns (Scotland) Limited and Lairds Foods Limited.

The company's principal subsidiary undertakings at 31 December 2020 are shown below. The accounting dates of the subsidiary undertakings are 31 December. The directors believe that the carrying value of the investments is supported by their underlying net assets.

Browns Food Group Limited

Notes to the financial statements (continued)

24 Subsidiaries and investments (continued)

Name of company/ Registered office	Country of incorporation and operation	Description of shares held	Proportion of nominal value of issued shares held	Principal activity
Browns Manufacturing Limited (formerly Brown Brothers (Manufacturing) Limited) <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	1,000,000 ordinary shares of £1 each	100%	Supplier of manufactured meat to distributors and retailers
Mostell Limited <i>Berth 29-30 Tilbury Freeport Tilbury Essex RM18 7SX</i>	England	90 ordinary shares of £1 each 10 ordinary A shares of £1 each	100%	Importation and wholesale of frozen meat
Lairds Foods Limited (formerly Foodpro (Manufacturing) Limited) <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Incorporated in Scotland; operating in England	150,000 Ordinary £1 shares	100%	Supplier of cooked ready meals to retailers
James Aitken & Sons (Meat Products) Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	2 ordinary shares of £1 each	100%	Importation and wholesale of frozen meat

Browns Food Group Limited

Notes to the financial statements (continued)

24 Subsidiaries and investments (continued)

Name of company/ Registered office	Country of incorporation and operation	Description of shares held	Proportion of nominal value of issued shares held	Principal activity
Belcher (Holdings) Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	100,000 ordinary shares of £0.10	100%	Holding company for Halls of Scotland Limited
Hall's of Scotland Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	29,998 ordinary shares of £1.00	100%	Manufacture of frozen and cooked meat products
Mostell Seafood Limited <i>Berth 29-30 Tilbury Freeport Tilbury Essex RM18 7SX</i>	England	100 ordinary shares of £1 each	100%	Importation and wholesale of frozen seafood
Fenton Barns (Manufacturing) Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	875,000 redeemable £0.01 preference shares 26,930 preferred ordinary shares of £0.10 9,691,380 ordinary shares of £0.01	100%	Importation and wholesale of frozen meat

Browns Food Group Limited

Notes to the financial statements (continued)

24 Subsidiaries and investments (continued)

Name of company/ Registered office	Country of incorporation and operation	Description of shares held	Proportion of nominal value of issued shares held	Principal activity
Borders Gourmet Limited <i>Kelloholm Industrial Estate Greystone Avenue Kelloholm Sanquhar DG4 6RB</i>	Scotland	1 ordinary shares of £1 each	100%	Supply of meat based ready meals and cooked meat products
Tilbury Coldstore Limited <i>Berth 29-30 Tilbury Freeport Tilbury Essex RM18 7SX</i>	England	1 ordinary shares of £1 each	100%	Storage of meat and other products
Tilbury Transport Limited <i>Berth 29-30 Tilbury Freeport Tilbury Essex RM18 7SX</i>	England	1 ordinary shares of £1 each	100%	Haulage and distribution of frozen and chilled foods
Halls Direct Limited <i>Kelloholm Industrial Estate Greystone Avenue Kelloholm Sanquhar DG4 6RB</i>	Scotland	1 ordinary shares of £1 each	100%	Wholesale distribution of meat and other products

Browns Food Group Limited

Notes to the financial statements (continued)

24 Subsidiaries and investments (continued)

Name of company/ Registered office	Country of incorporation and operation	Description of shares held	Proportion of nominal value of issued shares held	Principal activity
Importo Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	1 ordinary shares of £1 each	100%	Wholesale distribution of meat and other food products
Locharbriggs Coldstore Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	2 ordinary shares of £1 each	100%	Importation and wholesale of frozen meat
PW Foods Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	2 ordinary shares of £1 each	100%	Importation and wholesale of frozen meat and the sale of food production waste products
Mostell Logistics Limited <i>Kelloholm Industrial Estate Greystone Avenue Kelloholm Sanquhar DG4 6RB</i>	Scotland	2 ordinary shares of £1 each	100%	Haulage and distribution of frozen and chilled foods
Fenton Barns (Scotland) Limited <i>Kelloholm Industrial Estate Greystone Avenue Kelloholm Sanquhar DG4 6RB</i>	Scotland	100,000 ordinary £1 shares	100%	Importation and wholesale of frozen meat

Browns Food Group Limited

Notes to the financial statements (continued)

24 Subsidiaries and investments (continued)

Name of company/ Registered office	Country of incorporation and operation	Description of shares held	Proportion of nominal value of issued shares held	Principal activity
Dalffibble Foods Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	2 ordinary shares of £1 each	100%	Importation and wholesale of frozen meat
Ayrshire Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	1 ordinary shares of £1 each	100%	Importation and wholesale of frozen meat
Cheshunt Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	1 ordinary shares of £1 each	100%	Importation and wholesale of frozen meat
Lions Speciality Foods Limited <i>Kelloholm Industrial Estate Greystone Avenue Kelloholm Sanquhar DG4 6RB</i>	Scotland	200,000 ordinary £1 shares	100%	Salmon processor
Border Sausage Company Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	2 ordinary shares of £1 each	100%	Importation and wholesale of frozen meat

Browns Food Group Limited

Notes to the financial statements (continued)

24 Subsidiaries and related investments (continued)

Name of company/ Registered office	Country of incorporation and operation	Description of shares held	Proportion of nominal value of issued shares held	Principal activity
Harlow Meats Limited Chapel Lane Wigan Lancashire WN3 5DQ	England	2 ordinary shares of £1 each	100%	Importation and wholesale of frozen meat
Farmhouse Test Kitchen Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	2 ordinary shares of £1 each	100%	Importation and wholesale of frozen meat
Mostell Meats Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	1 ordinary shares of £1 each	100%	Importation and wholesale of frozen meat
Empire Proteins Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	1 ordinary shares of £1 each	100%	Importation and wholesale of frozen meat
Greystone Trading Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	2 ordinary shares of £1 each	100%	Importation and wholesale of frozen meat

Browns Food Group Limited

Notes to the financial statements (continued)

24 Subsidiaries and investments (continued)

Name of company/ Registered office	Country of incorporation and operation	Description of shares held	Proportion of nominal value of issued shares held	Principal activity
Stevensons Direct Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	2 ordinary shares of £1 each	100%	Dormant
Kelso Trading Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	2 ordinary shares of £1 each	100%	Importation and wholesale of frozen meat
Nith Trading Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	2 ordinary shares of £1 each	100%	Importation and wholesale of frozen meat
Wanlockhead Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	2 ordinary shares of £1 each	100%	Dormant

Browns Food Group Limited

Notes to the financial statements (continued)

24 Subsidiaries and investments (continued)

Name of company/ Registered office	Country of incorporation and operation	Description of shares held	Proportion of nominal value of issued shares held	Principal activity
Foodpro (Manufacturing) Limited (formerly Lairds Foods Limited) <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	2 ordinary shares of £1 each	100%	Supply of meat based ready meals and meat products
Ridgway Trading Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	2 ordinary shares of £1 each	100%	Importation and wholesale of frozen meat
Ramage Distribution Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	2 ordinary shares of £1 each	100%	Dormant
Halls Products Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	2 ordinary shares of £2 each	100%	Dormant

Browns Food Group Limited

Notes to the financial statements (continued)

24 Subsidiaries and investments (continued)

Name of company/ Registered office	Country of incorporation and operation	Description of shares held	Proportion of nominal value of issued shares held	Principal activity
Crawick Foods Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	2 ordinary shares of £1 each	100%	Dormant
Sanquhar Foods Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	2 ordinary shares of £1 each	100%	Dormant
Urr Water Foods Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	2 ordinary shares of £1 each	100%	Dormant
The Locharbriggs Bacon Company Limited <i>Kelloholm Industrial Estate Greystone Ave Kelloholm Sanquhar Dumfriesshire DG4 6RB</i>	Scotland	2 ordinary shares of £1 each	100%	Dormant

All of the above subsidiaries are included in the consolidation.

Browns Food Group Limited

Notes to the financial statements (continued)

25 Subsequent events

In considering matters or circumstances that have arisen since 31 December 2020, the continued global pandemic of the coronavirus Covid-19 must be acknowledged. Browns Food Group Limited continue to mitigate the challenges that this has brought in an efficient and resilient manner and are reducing the risks to the business through a variety of methods and initiatives. This spans from the protection of our employees, business continuity, managing customers and suppliers to maintaining a robust financial position. At date of signing, there are no expected, material impacts on the Company's operations at present or in future financial years.