

**Edward Billington and Son Limited
and Subsidiaries**

Annual Report and Financial Statements

For the 53 week period ended 4th September 2022

Company Registration Number 59883

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Edward Billington and Son Limited and Subsidiaries

Annual Report and Financial Statements

For the 53 week period ended 4th September 2022

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Edward Billington and Son Limited and Subsidiaries

Strategic Report

For the 53 week period ended 4th September 2022

Principal activities and business review

The principal activities of the group during the period were the manufacture, merchandising and distribution of food, animal feed and other agricultural products and the trading of agricultural commodities.

The key financial and other performance indicators during the period in respect of continuing operations were as follows:

	53 week period ended 4th September 2022 £'000	52 week period ended 30th August 2021 £'000
Turnover	383,506	326,822
Operating (loss)/profit (before exceptional items)	(2,507)	4,953
Exceptional costs	(9,158)	(4,301)
Exceptional gain on sale of investment in WSO Holdings LP	628	10,735
(Loss)/profit on ordinary activities before taxation	(9,418)	13,365
Shareholders' funds (excluding non-controlling interests)	93,363	107,974
Current assets as % current liabilities	144%	172%
Average number of employees	1,443	1,576

The Group recorded a loss in the financial year in a tough food trading environment. The hospitality sector was hardest hit; challenged post Covid-19 and compounded by labour shortages, withdrawal of the government job retention scheme, inflation and the cost of living crisis. Conversely the Agriculture businesses performed well. The recent acquisition of the remaining shareholding of CBAL leaves the Group well positioned with clear opportunities for future growth and expansion. The business has started the new financial year well and is trading in line with the 2023 budget.

EPC - Sales volumes remained strong although margins were under pressure from raw material cost increases. Actions have been taken to mitigate these inflationary increases.

Billington Foods - The Foodservice sector remained challenging in 2022, which impacted on factory volumes and efficiencies. Inflationary pressures in raw materials and energy reduced margins. The business is realigning costs to meet revised volumes. It was considered appropriate to recognise an impairment of £9.1m being the remaining foodservice goodwill on the balance sheet to reflect these challenges. This impairment has no impact on cash. The business has a plan to adapt to the changing economic landscape and remains committed to the Foodservice sector.

Carrs Billington Agriculture - On the 26th October 2022 the Group acquired the remaining shareholding to become the sole owner of CBAL. As sole owners the group will be able to support the business to introduce the infrastructure and investment required for its long term development. In terms of trading both fuel and machinery performed well and feed margins were maintained.

Criddle - Performed very well taking advantage of trading opportunities.

Edward Billington and Son Limited and Subsidiaries

Strategic Report

For the 53 week period ended 4th September 2022

Principal risks and uncertainties

The directors meet regularly to discuss the risks facing the group. The principal risks and uncertainties facing the group are broadly competitive and legislative risks:

Competitive and Consumer Risks

The group operates in a competitive environment which is driven by customer and consumer tastes. Continual product innovation is conducted by the group to offer its customers high quality premium products that meet consumer tastes and requirements. The group has made appropriate contingency plans to mitigate the effects of Brexit.

Legislative Risks

The group's operations are governed by UK and EU legislative requirements on food and animal feed production, which includes food safety and hygiene standards that must be met to comply with the law. Furthermore, many of the group's customers have their own production, hygiene and safety standards in place. The group strives to be a leader in its production, hygiene and safety standards and procedures to ensure compliance with relevant laws and regulations and to meet customer expectations.

Commercial Risks

The group has established a risk and financial management framework to monitor and limit normal commercial risks such as credit control, counter party exposure, customer concentration and cost control, in order to protect the group from such risks.

Use of Derivatives

The group's activities include animal feed commodity trading and it enters into fixed price contracts to be taken up at a future date. The majority of the price risk associated with such trading is mitigated by matching sales and purchase contracts. The directors closely monitor current cost price movements in order to manage the risk.

Group risk and audit committee

The group operates a committee which comprises of one executive director and three independent non-executive directors. The remit of the committee is to highlight key risk areas in the group and to oversee any mitigating actions. A risk register is maintained to summarise these controls, and this is reviewed by the main board annually.

The following areas were the principal focus during the year:

- IT security
- Health and safety
- Overseeing the annual external audit
- Internal financial controls
- Taxation compliance

Edward Billington and Son Limited and Subsidiaries

Strategic Report

For the 53 week period ended 4th September 2022

Employees

The group has continued to follow the requirements of the Health & Safety at Work Act with concern for the welfare of its employees.

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

The group provides employees with information about the company through internal media methods and newsletters.

Policy on payment of creditors

Creditors are paid in accordance with terms of business agreed with suppliers.

Given the nature of the company's activities and agreed terms with suppliers, the directors have not calculated an average creditor day figure as a whole on the basis that such a statement would not be beneficial.

Section 172 (1) Statement

The Board of Directors of Edward Billington and Son Limited consider, both individually and collectively, that they have acted in ways that they believe in good faith to be most likely to promote the success of the company for the benefit of its shareholders as a whole in the decisions they made during the period ended 4th September 2022.

We recognise our people as our most important asset and aim to be a responsible employer. The health, safety and wellbeing of our people is of the highest importance. Ensuring a safe working environment is paramount in our day to day operations.

Customers are at the heart of everything we do. From our programmes of engagement and support for UK farmers in our agriculture businesses to our passion for food and food development in partnership with our retail, foodservice and B2B partners.

We seek to develop long term partnerships with our suppliers which are mutually beneficial and ultimately deliver our customer value and a high quality product.

As the Board of Directors, our intention is always to behave responsibly and to ensure that the business operates in a responsible manner, adhering to high standards of business conduct and good governance. We recognise that the maintenance of our good reputation, founded on responsible behaviour, is fundamental to our continuing ability to achieve profitable growth for the benefit of all our stakeholders in the future.

Signed by order of the Board



Lloyd Whiteley
Director

Cunard Building
Liverpool L3 1EL

Approved by the Board of Directors on 1st February 2023

Edward Billington and Son Limited and Subsidiaries

Directors' Report

For the 53 week period ended 4th September 2022

The directors present their report to the shareholders together with the audited financial statements for the period ended 4th September 2022.

Profits, dividends and retentions

The results for the period are shown on the Consolidated Profit and Loss Account on page 14.

The loss on ordinary activities of the group, before taxation, and minority interests, amounts to £9,417,796 including goodwill impairment of £9,192,000 (2021 profit £13,364,967).

Dividends of 33.10 pence per share (2021 78.90 pence per share) are proposed for approval at the forthcoming Annual General Meeting. Special dividends of 50.00 pence (2021 220.00 pence) per share associated with the sale of WSO Holdings LP were paid during the financial year. Proposed dividends are not shown as a deduction against reserves in these financial statements, but instead will fall into the 28th August 2023 financial statements when they are paid.

Directors and directors' interests

The members of the Board of Directors at 4th September 2022, together with details of their interests in the share capital of Edward Billington and Son Limited, are shown below:

	Ordinary shares of £1 each		Preferred ordinary shares of £1 each	
	2022	2021	2022	2021
G.M. Blake	2,800	2,800	23,541	20,541
S.G. Hughes	600	600	11,822	10,322
A.S. King	-	-	6,500	5,750
D. Marshall	99	99	777	3,882
J.A. Viner	250	250	1,000	750
L.L.R. Whiteley	118,374	118,374	26,417	26,917

The holding of ordinary shares of Mr. L.L.R. Whiteley stated above includes 31,200 2007 'B' ordinary shares.

The holding of preferred ordinary shares stated above includes the total of preferred and 2014 preferred ordinary shares.

The holding of preferred ordinary shares of Mr. G.M. Blake stated above includes 10,150 (2021 10,150) preferred ordinary shares that are held in a self administered pension scheme.

The holding of preferred ordinary shares of Mr. S.G. Hughes stated above includes 7,322 (2021 7,322) preferred ordinary shares that are held in a self administered pension scheme.

Mr. D. Marshall and Mr. J.A. Viner retire by rotation and Mr. J.A. Viner, being eligible offers himself for re-election, whilst Mr. D. Marshall will retire as a director at the forthcoming AGM.

Strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Financial Statements and Reports) Regulations 2008 is noted in the Strategic Report on pages 1 to 3.

Edward Billington and Son Limited and Subsidiaries

Directors' Report

For the 53 week period ended 4th September 2022 [Continued]

Statement of Corporate Governance

The Board of Directors confirm that during the period ended 4th September 2022, the group has been in full compliance with all clauses of the UK Corporate Governance Code 2018 in line with the Wates Corporate Governance Principles.

Purpose and Leadership

The directors ensure the group operates with a clear sense of purpose by communicating their values with employees and stakeholders. Strategic decisions are taken to achieve long-term success within the group.

Board Composition

Board members have a diverse range of skills, expertise and experience. The Non-Executive Directors demonstrate independent challenge to decisions and monitoring of performance.

Directors' Responsibilities

The Board and individual directors have a clear understanding of their accountability and responsibilities. Policies and procedures are in place to ensure effective decision-making and independent challenge. The Board has delegated governance responsibilities to its Risk & Audit and Remuneration Committees. These committees include Non-Executive directors who provide independent challenge and support effective decision making.

Opportunity and Risk

The Board meets regularly to review both short and long term strategic opportunities. The Risk & Audit Committee supports the Board in assessing risk and ensuring internal control systems are maintained.

Remuneration

The Remuneration Committee are the approved body that is responsible for setting the Executive Directors' salary, bonus, long-term incentive plan and other benefits as well as working with the Board to address any remuneration related issues that arise. For more information see the Directors' Remuneration Report on pages 8 and 9.

Stakeholder Relationships and Engagement

For more information on stakeholder relationships and engagement, see the Section 172 (1) statement on page 3.

Streamlined Energy and Carbon Reporting

The SECR disclosure presents our carbon footprint in the United Kingdom covering Scope 1 and 2, an appropriate intensity metric, the total energy use of electricity, gas and transport fuels and a summary of the energy efficiency actions that have taken place during the relevant financial year.

	Period ended 4th September 2022
Energy Consumption used to calculate emissions (kWh)	106,239,415
Emission from consumption of gas tCO ₂ e (scope 1)	8,074
Emission from Combustion of fuel for transport purposes tCO ₂ (scope 1)	6,339
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel tCO ₂ e (scope 3)	0
Emissions from purchased electricity tCO ₂ e (scope 2, location based)	8,390
Emission from purchased electricity tCO ₂ e (scope 2, market based)	1,080
Total gross tCO ₂ e based on above	23,883
Intensity ratio (KgCO ₂ e/sales Revenue £)	0.0623

Edward Billington and Son Limited and Subsidiaries

Directors' Report

For the 53 week period ended 4th September 2022 [Continued]

Energy Efficiency Action Summary

Period ended 4th September 2022

The group are working hard to achieve direct savings in energy and associated carbon emissions, this has been done through operational and technological improvements, including:

- Installation of solar panels at the Scunthorpe site during the financial year. Solar panels will also be added to the Newbury site in the coming year.
- Commencement of Energy Savings Opportunity Scheme (ESOS) audits across the group sites.
- Installation of new software to monitor energy usage and target reductions.

Methodology Notes

Reporting Period	29th August 2021 - 4th September 2022.
Boundary (consolidation approach)	Operational approach.
Alignment with financial reporting	SECR disclosure has been prepared in line with Edward Billington and Son's annual accounts made up to the period ended 4th September 2022.
Reporting Method	GHG Emissions reporting are in line with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard.
Emissions Factor Source	DEFRA, 2021/22 for all emission factors: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022
Calculation method	Activity Data x Emission Factor = GHG emissions.
Other relevant information on calculation	Transport fuel have been collected in kWh and converted into GHG emissions using the calculation method mentioned above.
Reason for the intensity measurement choice	The chosen metric expresses our business performance. Based on the nature of our business, as well as following the recommendations of the SECR legislation we chose sales revenue as it reflects the growth in our business performance.

Edward Billington and Son Limited and Subsidiaries

Directors' Report

For the 53 week period ended 4th September 2022 [Continued]

Statement of directors' responsibilities

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

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

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

- select suitable accounting policies 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

Charitable donations

The group contributed £100,198 for charitable purposes (2021 £168,125).

Insurance of directors

The company provides insurance for its directors in respect of their duties as directors of the group.

Auditors

Having expressed a willingness to continue in office, a resolution for the reappointment of Mitchell Charlesworth (Audit) Limited will be proposed at the forthcoming Annual General Meeting.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the group's auditor is unaware. Additionally, the directors have taken all steps that they ought to have taken as directors to make themselves aware of all relevant audit information and to establish that the auditor is aware of that information.

By order of the Board



Lloyd Whiteley
Director

Cunard Building
Liverpool L3 1EL

Approved by the Board of Directors on 1st February 2023

Edward Billington and Son Limited and Subsidiaries

Directors' Remuneration Report

For the 53 week period ended 4th September 2022

Dear Shareholder

I am pleased to present the Directors' Remuneration Report for the 53 week period ended 4th September 2022.

The Remuneration Committee (Remco) are the approved body that is responsible for setting the executive directors' salary, bonus, long-term incentive plan and other benefits as well as working with the Board to address any remuneration related issues that come up from time to time. Additionally, the Remco works with the executive team to provide an independent monitor to assist with the setting and approving of the Executives Key Performance Measures. In 2020 the Remco carried out a full appraisal of the marketplace to ensure all aspects of remuneration are in step with the market and help to deliver the objectives of attracting, rewarding and retaining high calibre individuals to the main board. This process will be repeated during 2023.

The members of the committee during the year were:

Mr. D. Marshall (Chairman of the Remuneration Committee, Company Secretary and Independent Non-Executive Director of Edward Billington and Son Limited)

Mr. C.E.G. Atkins (Independent Shareholder Representative)

Mr. J.A. Viner (Independent Non-Executive Director of Edward Billington and Son Limited)

The Group's performance in 2022

The continuing difficulties in the Foodservice business, together with the extra inflationary costs that impacted all businesses meant the group incurred an overall loss for the year. As a result, the targets set for the annual profit-related bonus scheme and the long-term incentive plan were not met, and so no such bonuses were awarded. Individual performance related bonuses amounting to £243,000 were awarded during the year, based on the achievement of key performance measures.

The total remuneration for all the directors increased by £52,000 to £2,031,000. This increase was primarily due to the second payment of profit related bonuses amounting to £752,000 that were awarded to three directors upon the receipt of the final earn out following the sale of the group's remaining interest in WSO Holdings LP in the previous year. The underlying total remuneration for the year was £1,279,000.

Remuneration Policy

The guiding principles of the remuneration:

Basic Salary and Benefits

The basic salary of the executives should reflect a competitive salary for businesses of a similar size and marketplace to ensure Edward Billington and Son attract the best talent. This is something that the Remco benchmarked in 2020.

Annual Bonus

The annual bonus is set at a percentage of base salary for each director, where the appropriate percentage is driven by a combination of group profits and the delivery by each director of their Key Performance Indicators (KPI's), which are not necessarily profit related. The KPI's align the actions of the executives to such business critical areas as Corporate Social Responsibility, People Development, Health and Safety and Strategic Planning.

Long-term Incentive Plan

The current long-term incentive plan was launched in September 2016 and accrues value equal to a percentage of base salary over a rolling three-year period for the executive directors. The profit targets used were reviewed during the year. The percentage of salary accrued is determined by the growth of group profits in over the medium term.

The Remco has discretion to ensure fairness to shareholders and participants and has provision to pay out at the maturity dates for "good leavers" (ill health, disability, retirement, departure in agreement with the Chairman and Remco), but will see payments forfeited for bad leavers. A malus provision to protect the company in the event of serious financial misstatement, miscalculation, or gross misconduct has been provided.

Edward Billington and Son Limited and Subsidiaries

Directors' Remuneration Report

For the 53 week period ended 4th September 2022 [Continued]

Remuneration Policy [Continued]

Pensions & Other Benefits

Pensions are paid although certain directors choose to waive this entitlement in return for higher salaries. A conventional benefits package, commensurate with each director's role, is also offered.

Independent Non-Executive Directors

Independent Non-Executive Directors are paid a fixed salary for an annual contract. No profit sharing bonuses or long-term incentive payments are paid.



David Marshall
Chairman, Remuneration Committee

1st February 2023

Mitchell Charlesworth (Audit) Limited

Accountants

5 Temple Square . Temple Street . Liverpool . L2 5RH

Independent Auditor's Report to the Members of Edward Billington and Son Limited

Opinion

We have audited the financial statements of Edward Billington and Son Limited and its subsidiaries for the period ended 4th September 2022 which comprise the Consolidated Profit And Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 4th September 2022 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Mitchell Charlesworth (Audit) Limited

Accountants

5 Temple Square . Temple Street . Liverpool . L2 5RH

Independent Auditor's Report to the Members of Edward Billington and Son Limited [Continued]

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Mitchell Charlesworth (Audit) Limited

Accountants

5 Temple Square . Temple Street . Liverpool . L2 5RH

Independent Auditor's Report to the Members of Edward Billington and Son Limited [Continued]

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the group's industries and sectors, control environment and business performance;
- the group's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management of their own identification of and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the group for fraud and identified the greatest potential for fraud in the following areas:

- (i) The presentation of the Profit and Loss Account and Statement of Comprehensive Income
- (ii) the accounting policy for revenue recognition
- (iii) understatement of creditors
- (iv) stock existence and valuation
- (v) impairment and valuation of fixed assets
- (vi) defined benefit pension scheme assumptions and valuation.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These include impact of food hygiene, BRC regulations and customer compliance audits on the subsidiary undertakings within the foods division.

Mitchell Charlesworth (Audit) Limited

Accountants

5 Temple Square . Temple Street . Liverpool . L2 5RH

Independent Auditor's Report to the Members of Edward Billington and Son Limited [Continued]

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mitchell Charlesworth (Audit) Limited.

PHILIP GRIFFITHS FCA
(Senior Statutory Auditor)

For and on behalf of

MITCHELL CHARLESWORTH (AUDIT) LIMITED

Accountants

Statutory Auditor

1st February 2023

Edward Billington and Son Limited and Subsidiaries

Consolidated Profit and Loss Account

For the 53 week period ended 4th September 2022

	Notes	Total 2022 £'000	Total 2021 £'000
Turnover	3	383,506	326,822
Cost of sales		(341,506)	(282,933)
Gross profit		42,000	43,889
Distribution costs		(17,839)	(16,154)
Administrative expenses		(26,732)	(25,358)
Other operating income	3	64	2,576
Exceptional costs	4	(9,158)	(4,301)
Operating (loss)/profit	5	(11,665)	652
Gain on disposal of investments	12	628	10,735
Share of operating results of associates	12	2,049	2,299
(Loss)/profit on ordinary activities before interest		(8,988)	13,686
Net interest paid	7	(430)	(321)
(Loss)/profit on ordinary activities before taxation		(9,418)	13,365
Taxation	8	(584)	(2,674)
(Loss)/profit for the financial period		(10,002)	10,691
(Loss)/profit for the financial period attributable to:			
Owners of the parent		(11,287)	9,391
Non-controlling interests	22	1,285	1,300

The notes on pages 20 to 47 form part of these financial statements.

Edward Billington and Son Limited and Subsidiaries

Consolidated Statement of Comprehensive Income

For the 53 week period ended 4th September 2022

	Total 2022 £'000	Total 2021 £'000
(Loss)/profit for the period	(10,002)	10,691
Re-measurement gain on defined benefit pension plans	(1,737)	422
Deferred tax movement associated with defined benefit pension plans	432	(106)
Total comprehensive income for the period	(11,307)	11,007
Total comprehensive income for the period attributable to:-		
Owners of the parent	(12,299)	9,416
Non-controlling interests	992	1,591
	(11,307)	11,007

The notes on pages 20 to 47 form part of these financial statements.

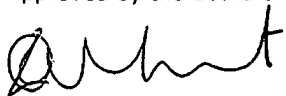
Edward Billington and Son Limited and Subsidiaries

Balance Sheets

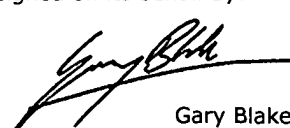
As at 4th September 2022

	Notes	Group		Company	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed assets					
Intangible assets	10	3,492	16,303	435	315
Tangible assets	11	56,613	53,101	527	309
Investments	12	16,799	15,666	60,589	71,440
		76,904	85,070	61,551	72,064
Current assets					
Stocks	14	35,099	25,950	-	-
Debtors	15	75,820	59,998	49,245	43,355
Cash at bank and in hand		1,348	4,178	536	3,960
		112,267	90,126	49,781	47,315
Creditors					
Amounts falling due within one year	16	(77,696)	(52,394)	(29,017)	(30,710)
Net current assets		34,571	37,732	20,764	16,605
Total assets less current liabilities		111,475	122,802	82,315	88,669
Creditors					
Amounts falling due after more than one year	17	(2,064)	(768)	-	-
Provision for liabilities	19	(5,320)	(5,255)	-	(44)
Net assets excluding pension liabilities		104,091	116,779	82,315	88,625
Defined benefit pension surplus/(liabilities)	26	4,668	5,599	(323)	608
		108,759	122,378	81,992	89,233
Capital and reserves					
Called up share capital	20	1,861	1,861	1,861	1,861
Share premium account	21	87	87	87	87
Capital reserves	21	2,776	2,776	644	644
Other reserves	21	(411)	(471)	(411)	(471)
Profit and loss account	21	89,050	103,721	79,811	87,112
		93,363	107,974	81,992	89,233
Non-controlling interests	22	15,396	14,404	-	-
		108,759	122,378	81,992	89,233

Approved by the Board of Directors and authorised for issue on 1st February 2023 and are signed on its behalf by:



Lloyd Whiteley
Director



Gary Blake
Director

The notes on pages 20 to 47 form part of these financial statements.

Company Registration No. 59883

Edward Billington and Son Limited and Subsidiaries

Consolidated Statement of Cash Flows

For the 53 week period ended 4th September 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities			
Cash generated from operations	29	(13,082)	14,436
Income taxes paid		(70)	(412)
Interest paid		(177)	(358)
Net cash generated from operating activities		(13,329)	13,666
Cash flows from investing activities			
Purchases of intangible assets		(1,209)	(1,563)
Purchases of tangible fixed assets		(7,715)	(9,522)
Proceeds from sale of tangible fixed assets		704	783
Proceeds from sale of investments		7,004	19,984
Dividend received from associated undertakings		-	1,647
Interest received		144	193
Net cash outflow from investing activities		(1,072)	11,522
Cash flows from financing activities			
Repayment of loans		-	(10,492)
Repayment of finance lease obligations		(859)	(713)
Movement in Employee Benefit Trust		60	285
Dividends paid to parent company shareholders		(2,372)	(5,487)
Dividends paid to non controlling interest		-	(1,038)
Net cash outflow from financing activities		(3,171)	(17,445)
Net increase in cash and cash equivalents		(17,572)	7,743
Cash and cash equivalents at beginning of period		2,812	(4,931)
Cash and cash equivalents at end of period		(14,760)	2,812
Relating to:			
Cash at bank and in hand		1,348	4,178
Bank overdrafts included in creditors payable within one year		(16,108)	(1,366)
		(14,760)	2,812

The notes on pages 20 to 47 form part of these financial statements.

Edward Billington and Son Limited and Subsidiaries

Consolidated Statement of Changes in Equity

For the 53 week period ended 4th September 2022

	Called up share capital £'000	Share premium account £'000	Capital reserves £'000	Other reserves £'000	Profit and loss account £'000	Amounts attributable to the parent £'000	Non controlling interests £'000	Total £'000
At 1st September 2020	1,861	87	2,776	(756)	99,792	103,760	13,851	117,611
Profit for the financial period	-	-	-	-	9,391	9,391	1,300	10,691
Other comprehensive income	-	-	-	-	25	25	291	316
Total comprehensive income for the period	-	-	-	-	9,416	9,416	1,591	11,007
Movement in Employee Benefit Trust	-	-	-	285	-	285	-	285
Dividends paid	-	-	-	-	(5,487)	(5,487)	(1,038)	(6,525)
At 29th August 2021	1,861	87	2,776	(471)	103,721	107,974	14,404	122,378
Loss for the financial period	-	-	-	-	(11,287)	(11,287)	1,285	(10,002)
Other comprehensive income	-	-	-	-	(1,012)	(1,012)	(293)	(1,305)
Total comprehensive income for the period	-	-	-	-	(12,299)	(12,299)	992	(11,307)
Movement in Employee Benefit Trust	-	-	-	60	-	60	-	60
Dividends paid	-	-	-	-	(2,372)	(2,372)	-	(2,372)
At 4th September 2022	1,861	87	2,776	(411)	89,050	93,363	15,396	108,759

The notes on pages 20 to 47 form part of these financial statements.

Edward Billington and Son Limited and Subsidiaries

Company Statement of Changes in Equity

For the 53 week period ended 4th September 2022

	Called up share capital £'000	Share Premium account £'000	Capital reserves £'000	Other reserves £'000	Profit and loss account £'000	Total £'000
At 1st September 2020	1,861	87	644	(756)	59,504	61,340
Profit for the financial period	-	-	-	-	33,373	33,373
Other comprehensive income	-	-	-	-	(278)	(278)
Total comprehensive income for the period	-	-	-	-	33,095	33,095
Movement in Employee Benefit Trust	-	-	-	285	-	285
Dividends paid	-	-	-	-	(5,487)	(5,487)
At 29th August 2021	1,861	87	644	(471)	87,112	89,233
Profit for the financial period	-	-	-	-	(4,221)	(4,221)
Other comprehensive income	-	-	-	-	(708)	(708)
Total comprehensive income for the period	-	-	-	-	(4,929)	(4,929)
Movement in Employee Benefit Trust	-	-	-	60	-	60
Dividends paid	-	-	-	-	(2,372)	(2,372)
At 4th September 2022	1,861	87	644	(411)	79,811	81,992

The notes on pages 20 to 47 form part of these financial statements.

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements

For the 53 week period ended 4th September 2022

1 Accounting policies

Company information

Edward Billington and Son Limited is a company limited by shares incorporated in England and Wales. The registered office is Cunard Building, Liverpool, Merseyside, L3 1EL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

1.2 Going concern

During the year the business continued to deal with the after-effects of the Covid-19 pandemic which delayed the return to pre-pandemic trading levels particularly in the foodservice industry. The business, like so many, has been affected by rising inflation and the associated cost of living crisis. Whilst this has resulted in a loss in the current year, the directors swiftly implemented measures to ensure the business is well positioned to face challenges and believe it is well placed to take advantage of future market opportunities.

As such, at the time of approving the financial statements, the directors are satisfied that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade and other settlement discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible fixed assets

Goodwill represents the excess of the cost of investments over the fair value of the net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life of ten years.

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Computer software costs are capitalised as intangible assets and written off over their useful lives of between three and ten years.

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

1 Accounting policies [Continued]

1.5 Tangible fixed assets

Tangible fixed assets are initially recorded at cost (or deemed cost) and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation of tangible fixed assets, other than freehold land, is calculated to write off the cost of an asset, less its estimated residual value over the useful economic life of that asset as follows:

Freehold and long leasehold buildings	2% to 10% per annum
Short leasehold buildings	10% to 33% per annum
Plant and machinery	10% to 50% per annum
Motor vehicles	14% to 33% per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

1 Accounting policies [Continued]

1.7 Investments

Investments in subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group (its subsidiaries). Control is achieved where the group governs the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Investments in associates

Investments in associates are recognised initially in the consolidated statement of financial position at the transaction price and subsequently adjusted to reflect the group's share of total comprehensive income and equity of the associate, less any impairment.

Any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition, although treated as goodwill, is presented as part of the investment in the associate. Amortisation is charged so as to allocate the cost of goodwill over its estimated useful life, using the straight-line method. Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

Investments in associates are accounted for at cost less impairment in the individual financial statements.

Other trade investments

Investments in other unquoted companies are accounted for at costs less any provision for impairment.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the statement of financial position when the group or company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

1 Accounting policies [Continued]

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group or company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

1 Accounting policies [Continued]

Other financial liabilities

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

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events have occurred at that date that will result in an obligation to pay more or a right to pay less tax.

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.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the reporting date.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

1 Accounting policies [Continued]

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense when they become payable.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

As the schemes have ceased to accrue further benefits to members, there is no charge in the net defined benefit liability arising from employee service during the period.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased assets (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

1 Accounting policies [Continued]

1.16 Foreign currency translation

Functional currency and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position are presented in Sterling (£).

Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The defined benefit pension liabilities are determined on an actuarial basis using a variety of assumptions. Any changes in these assumptions, which are disclosed in note 26, will impact on the carrying amount of the pension liability. The directors have considered the advice of the actuary in determining the basis of these assumptions.

Useful economic lives of fixed assets

The group depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes. Judgement is applied by the directors when determining the residual values for plant, machinery and equipment. When determining the residual value management assesses the amount that the group would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

Impairment of fixed assets and investments

Where an indication of impairment exists, the directors will carry out an impairment review to determine the recoverable amount, which is the higher of fair value less cost to sell and value in use. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the asset or the cash generating unit and a suitable discount rate in order to calculate present value.

Recoverability of debtors

Bad debts are recognised where there are indicators of non-recoverability, and appropriate action has been taken to recover the debt unsuccessfully. When assessing recoverability, the directors consider factors such as the ageing of the receivables, past experience of recoverability, and the credit profile of individual groups of customers.

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

2 Judgements and key sources of estimation uncertainty [Continued]

Slow moving and obsolete stocks

Stock provisions are recognised where there are indicators of recoverable value being lower than cost. In establishing the level of provisioning required, management consider discontinued lines, slow moving or obsolete stock, and use by date data from the stock system.

3 Turnover and other revenue

	2022 £'000	2021 £'000
An analysis of the group's turnover is as follows:		
Turnover		
Sale of goods	383,506	326,822
Turnover analysed by geographical market		
United Kingdom	380,187	324,224
Overseas	3,319	2,598
	383,506	326,822
	2022 £'000	2021 £'000
Other operating income		
Government grants	-	2,576
Other	64	-

4 Exceptional costs

	2022 £'000	2021 £'000
Restructuring, dilapidations and Covid-19 interruption costs	(34)	4,301
Goodwill impairment	9,192	-
	9,158	4,301

A review of goodwill related to the Foodservice business has taken place given performance over recent years. The sector has been continuously challenged by Covid-19, followed by start up challenges in the UK labour market and latterly the cost of living crisis. It was considered appropriate to recognise an impairment of the remaining goodwill on the balance sheet to reflect these challenges. The business has a plan to adapt to the changing landscape and remains committed to the Foodservice sector.

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

5 Operating profit

The operating profit for the period has been arrived at after:

	2022 £'000	2021 £'000
Charging		
Directors' emoluments (see note 6)	2,031	1,979
Operating lease rentals		
- land and buildings	2,063	1,652
- plant and machinery	1,964	2,041
Depreciation	6,152	5,633
Impairment losses	-	987
Amortisation and impairment of goodwill	14,020	4,548
Crediting		
Surplus on disposal of fixed assets	84	78

Services provided by the group's auditor:

	2022 £'000	2021 £'000
Fees payable to the company's auditor for the audit of the company's annual financial statements	27	26
Fees payable to the company's auditor for other services:		
Audit of the company's subsidiaries, pursuant to legislation	88	91
Accounting services	37	42
Tax services	35	32
Other services	17	12
Fees payable in respect of the Edward Billington & Son Limited Retirement Benefits Scheme		
Audit	4	4
Tax services	1	1

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

6 Directors' emoluments and employment costs

The aggregate amount of directors' emoluments, including profit sharing bonuses and contributions to pension scheme in respect of current service were:

	2022 £'000	2021 £'000
Number of directors whose emoluments are included below	6	6
Management remuneration (including benefits in kind)	1,028	1,000
Bonuses	243	272
Bonuses on exceptional profits (see note below)	752	692
Pension scheme contributions	8	15
	2,031	1,979
Benefits accrued under long-term incentive plan	-	-
	2,031	1,979

The bonus on exceptional profits relates to the sale of WSO Holdings LP in the previous year. Please refer to Directors' Remuneration Report on page 8 for further information.

Pension scheme contributions represent amounts paid to defined contribution schemes during the period. The number of directors who were members of a defined contribution scheme was 2 (2021 2). No directors are members of the defined benefit scheme.

	2022 £'000	2021 £'000
The emoluments of the highest paid director were as follows:		
Aggregate emoluments, excluding pension contributions	577	588
Bonus on exceptional profits	405	389
Benefits accrued under long-term incentive plan	-	-
	982	977
Company pension contributions to a defined contribution scheme	4	4

	2022 £'000	2021 £'000
Employees		
Total cost of employment:		
Wages and salaries	44,385	40,560
Social security costs	4,360	3,807
Other pension costs	2,593	2,023
	51,338	46,390

	2022 Number	2021 Number
Average number of employees		
Management and administration	274	325
Selling and distribution	84	94
Direct labour and production	1,085	1,157
	1,443	1,576

The defined benefit scheme is the Edward Billington & Son Limited Retirement Benefits Scheme. With effect from 1st September 2006 the scheme ceased to accrue further benefits for its active members, further details of which are given in note 26.

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

7 Net interest paid

	2022 £'000	2021 £'000
Interest paid		
Bank interest	122	246
Loan interest	-	57
Finance leases	55	55
	177	358
Interest received		
Bank interest	(43)	(27)
Other interest	-	(79)
Net interest on defined benefit pension asset	(101)	(87)
	(144)	(193)
Associated undertakings		
Interest paid	397	156
Net interest paid	430	321

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

8 Taxation

8.1 Analysis of charge for period	2022		2021	
	£'000	£'000	£'000	£'000
Current tax:				
UK corporation tax on loss for the period				
Group companies	(229)		195	
Associated undertakings	368		521	
Adjustment in respect of previous period				
Group companies	(52)		267	
Associated undertakings	-		-	
Total current tax		87		983
Deferred tax:				
Origination and reversal of timing differences				
Group companies	487		780	
Associated undertakings	-		(96)	
Adjustment in respect of prior years	10		(166)	
Changes in tax rate	-		1,173	
Total deferred tax		497		1,691
Tax on loss on ordinary activities		584		2,674

8.2 Factors affecting the current tax charge for the period	2022	2021
	£'000	£'000
Tax arising on loss on ordinary activities at the standard rate of corporation tax of 19% (2021 19%)	(1,789)	2,539
Effects of:		
Expenses not deductible for tax purposes	40	298
Depreciation and amortisation not deductible for tax purposes	2,686	916
Income not taxable	(157)	(2,197)
Research and development tax credits	-	(50)
Enhanced allowances	(344)	(106)
Deferred tax effect of changes in tax rate	-	1,173
Adjustment to reflect effective tax rate	190	-
Adjustment in respect of previous period	(42)	101
	584	2,674

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

9 Equity dividends of Edward Billington and Son Limited

	Pence per share	2022 £'000	Pence per share	2021 £'000
Paid during the period:				
Interim - paid 1st October 2021	31.60	588	-	-
Final - paid 21st February 2022	47.30	880	78.90	1,469
Special - paid 18th March 2022	50.00	930	110.00	2,047
Special	-	-	110.00	2,047
Waivers	-	(26)	-	(76)
Total dividends paid	128.90	2,372	298.90	5,487
Proposed for the period:				
Interim - paid 3rd October 2022	12.60	234	31.60	589
Waivers	-	(3)	-	(8)
Final - payable 23rd February 2023	20.50	382	47.30	880
Total dividends proposed	33.10	613	78.90	1,461

Dividends of 33.10 pence per share are proposed in respect of the period. The amounts paid during the period are deducted from reserves as shown in the statement of changes in equity

10 Intangible fixed assets

Group	Computer software £'000	Goodwill £'000	Total £'000
Cost			
At 30th August 2021	3,847	58,761	62,608
Additions	1,209	-	1,209
At 4th September 2022	5,056	58,761	63,817
Amortisation			
At 30th August 2021	1,206	45,099	46,305
Charge for period	459	4,369	4,828
Impairment (see note 4)	-	9,192	9,192
At 4th September 2022	1,665	58,660	60,325
Net book value			
At 4th September 2022	3,391	101	3,492
At 30th August 2021	2,641	13,662	16,303

Included in the group cost of goodwill of £58,761,000 is £5,000,000 (2021 £5,000,000) attributable to brand valuations. The amount amortised since acquisition amounts to £5,000,000 (2021 £3,788,461).

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

10 Intangible fixed assets [Continued]

Company	Computer software £'000	Goodwill £'000	Total £'000
Cost			
At 30th August 2021	427	8,690	9,117
Additions	230	-	230
At 4th September 2022	657	8,690	9,347
Amortisation			
At 30th August 2021	112	8,690	8,802
Charge for period	110	-	110
At 4th September 2022	222	8,690	8,912
Net book value			
At 4th September 2022	435	-	435
At 30th August 2021	315	-	315

11 Tangible fixed assets

Group	Land and Buildings £'000	Assets under Construction £'000	Plant £'000	Total £'000
Cost or valuation				
At 30th August 2021	48,004	2,229	91,303	141,536
Additions	3,015	145	7,125	10,285
Disposals	(30)	-	(4,926)	(4,956)
At 4th September 2022	50,989	2,374	93,502	146,865
Depreciation				
At 30th August 2021	22,268	-	66,167	88,435
Charge for period	1,388	-	4,764	6,152
Released on disposals	(30)	-	(4,305)	(4,335)
At 4th September 2022	23,626	-	66,626	90,252
Net book value				
At 4th September 2022	27,363	2,374	26,876	56,613
At 30th August 2021	25,736	2,229	25,136	53,101

The net book value of land and buildings includes £117,101 (2021 £117,101) of long-leasehold property and £11,341,090 (2021 £12,408,231) of short-leasehold property improvements. Land and buildings includes, where applicable, fixed plant which forms an integral part of the building structure.

Plant includes motor vehicles having a net book value of £4,253,965 (2021 £2,428,816).

The net book value of tangible fixed assets includes an amount of £3,688,656 (2021 £1,810,251) in respect of assets held under finance leases, and on which depreciation charged in the period was £613,164 (2021 £389,364).

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

11 Tangible fixed assets [Continued]

Company	Freehold Land and Buildings £'000	Plant £'000	Total £'000
Cost			
At 30th August 2021	142	875	1,017
Additions	-	424	424
Disposals	(142)	(14)	(156)
At 4th September 2022	-	1,285	1,285
Depreciation			
At 30th August 2021	30	678	708
Charge for period	-	90	90
Disposals	(30)	(10)	(40)
At 4th September 2022	-	758	758
Net book value			
At 4th September 2022	-	527	527
At 30th August 2021	112	197	309

12 Investments

Group	Unquoted £'000	Associated undertakings £'000	Total £'000
Cost or valuation			
At 30th August 2021	150	15,516	15,666
Share of results	-	1,283	1,283
Disposal	(150)	-	(150)
At 4th September 2022	-	16,799	16,799

Associated undertakings

The share of associated undertakings' results represent the group's share of retained profits in Carrs Billington Agriculture (Sales) Limited.

A gain on disposal of investments of £628,000 arose in the year, representing the surplus deferred consideration received on the disposal of WSO Holdings LP in the prior year, over and above that provided for in 2021.

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

12 Investments [Continued]

Company				
Cost	Unquoted	Associated	Subsidiary	Total
	£'000	undertakings	undertakings	£'000
		£'000	£'000	
At 30th August 2021	150	597	70,693	71,440
Disposal	(150)	-	-	(150)
Amounts written off investments	-	-	(10,701)	(10,701)
At 4th September 2022	-	597	59,992	60,589

Following the impairment review referred to in note 4, the company has reviewed the carrying cost of its investments resulting in the above write down.

13 Financial instruments

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Carrying amount of financial liabilities measured at fair value through profit or loss				
Provision against forward contracts	175	-	-	-

14 Stocks

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Raw materials	13,116	12,323	-	-
Goods for resale	21,983	13,627	-	-
	35,099	25,950	-	-

Amounts recognised in cost of sales during the period in respect of stock losses and obsolescence were £1,730,240 (2021 £2,030,965).

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

15 Debtors

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade debtors	32,108	25,340	246	118
Subsidiary undertakings	-	-	43,743	37,439
Associated undertakings	33,399	23,349	-	-
Other taxes	3,883	1,496	90	-
Other debtors	3,483	2,103	89	88
Prepayments and accrued income	2,947	7,710	4,382	5,710
	75,820	59,998	48,550	43,355
Deferred tax	-	-	695	-
	75,820	59,998	49,245	43,355

During the period there was a £95,631 impairment loss (2021 impairment reversal £320,115) recognised against trade debtors.

16 Creditors - amounts falling due within one year

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Bank overdrafts	16,108	1,366	4,893	279
Finance lease obligations	944	529	-	-
Trade creditors	37,420	29,641	100	66
Subsidiary undertakings	-	-	20,271	27,565
Other taxes and social security costs	258	586	236	432
Corporation tax	-	95	-	-
Other creditors	3,163	2,464	1,460	1,266
Accruals and deferred income	19,803	17,713	2,057	1,102
	77,696	52,394	29,017	30,710

Included in bank overdrafts is an amount of £10,940,923 (2021: £1,086,274) due to RBS Invoice Finance Limited, such amount being secured against the book debts of Carrs Billington Agriculture (Operations) Limited.

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

17 Creditors - amounts falling due after more than one year

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Finance lease obligations	2,064	768	-	-
	2,064	768	-	-

18 Lease commitments

	Group		Company	
Finance leases	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts falling due:				
Within one year	944	529	-	-
Within two to five years	2,064	768	-	-
	3,008	1,297	-	-

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

18 Lease commitments [Continued]

Operating lease commitments

At the reporting date, outstanding commitments for future minimum lease payments under non-cancellable operating leases fall due as follows:-

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Within one year	2,515	2,342	98	91
Within two to five years	8,499	6,904	355	96
After five years	3,521	3,512	292	-
	14,535	12,758	745	187

19 Deferred taxation

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Accelerated capital allowances	5,055	3,951	63	-
Short term timing differences	(471)	(103)	(428)	(103)
Losses	(432)	12	(250)	-
Defined benefit pension liabilities	1,168	1,395	(80)	147
	5,320	5,255	(695)	44
At 30th August 2021	5,255	3,362	44	143
Profit and loss account	497	1,787	(506)	(7)
Statement of other comprehensive income	(432)	106	(233)	(92)
At 4th September 2022	5,320	5,255	(695)	44

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

20 Capital of Edward Billington and Son Limited

	Authorised		Allotted, called up and fully paid	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Ordinary shares of £1 each	2,350	2,350	1,042	1,042
2007 ordinary shares of £1 each	400	400	400	400
Preferred ordinary shares of £1 each (non-voting)	1,150	1,150	344	344
2014 Preferred ordinary shares of £1 each (non-voting)	100	100	75	75
	4,000	4,000	1,861	1,861

The preferred and 2014 preferred ordinary shares of £1 each are independently valued each year. It was reported at the company's Annual General Meeting held on 17th February 2022 that the valuation of these shares was £33.00 per share. The directors are advised that the recommended valuation of these shares be reduced to £21.50 per share following approval of these financial statements.

21 Reserves

Share premium account - represents the premium received on the issue of share capital.

Capital reserves - represents the nominal value of shares redeemed within the group together with other reserves established on the historic acquisition of subsidiaries.

Other reserve - represents the value of the funds held by the trustees of the Edward Billington & Son Employee Benefit Trust less the value of company shares held by the trust and the initial contributions made by the company.

Profit and loss account - includes all current and prior period retained profits and losses.

22 Non-controlling interests

Profit and loss account

The amount shown represents the profits for the period, after taxation, attributable to the investment in subsidiary undertakings held by non-controlling parties.

Balance Sheet

The amount shown represents the share of capital and reserves of subsidiary undertakings attributable to non-controlling parties at 4th September 2022. The movement on the share of equity is summarised below:

	£'000
At 30th August 2021	14,404
Profit and loss account	1,285
Share of other comprehensive income	(293)
Dividends paid to non controlling interest	-
At 4th September 2022	15,396

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

23 Capital commitments

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Contracted for but not provided in the financial statements	13,024	2,408	Nil	Nil

24 Contingent liabilities

Edward Billington and Son Limited has guaranteed the individual bank and loan facilities of certain subsidiary undertakings.

25 Profit of Edward Billington and Son Limited

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss account of the parent undertaking is not presented as part of these financial statements. The consolidated profit for the period incorporates the reported loss of £4,220,568 (2021 profit £33,372,348) in the financial statements of Edward Billington and Son Limited.

26 Retirement benefit schemes

26.1 Defined contribution schemes

The group operates a number of defined contribution pension schemes for qualifying employees. The assets of the schemes are held separately from those of the company in independently administered funds.

The charge to profit or loss in respect of defined contribution schemes was £2,593,000 (2021 £2,023,000).

26.2 Defined benefit schemes

The group also operates two defined benefit pension schemes, the Edward Billington & Son Limited Retirement Benefits Scheme and the Carrs Billington Agriculture Pension Scheme. The assets of both schemes are administered by trustees, held separately from those of the group and are invested with financial institutions. Contributions are paid to the schemes in accordance with the recommendations of two independent qualified actuaries on the basis of triennial valuations using the attained age method of valuation.

The following table summarises the pension (surplus)/liabilities of the Edward Billington & Son Limited Retirement Benefits Scheme and the Carrs Billington Agriculture Pension Scheme detailed in notes 26.2.1 and 26.2.2 respectively which are reflected in aggregate on the group Balance Sheet.

	2022 £'000	2021 £'000
Edward Billington & Son Limited Retirement Benefits Scheme	323	(608)
Carrs Billington Agriculture Pension Scheme	(4,991)	(4,991)
Defined benefit pension surplus	(4,668)	(5,599)

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

26 Retirement benefit schemes [Continued]

26.2.1 Edward Billington & Son Limited Retirement Benefits Scheme

The scheme was closed to new entrants on 1st February 2001 and with effect from 1st September 2006, the scheme ceased to accrue further benefits for its active members. An alternative defined contribution scheme has been implemented to replace it.

Contributions paid into the scheme during the period amounted to £Nil. The company has agreed to contribute £Nil to the scheme during the period to 28th August 2023.

The liabilities of the scheme have been calculated by reference to the results of the 1st September 2019 full actuarial valuation. These have been updated for benefits paid out and changes to assumptions in the period to the balance sheet date, to determine the defined benefit obligation reported below.

Key assumptions	2022 %	2021 %
Discount rate	4.50	1.70
Expected rate of increase of pensions in payment	3.40	3.30
Pension increases - RPI max 5%	3.50	3.20
Mortality assumptions	2022 Years	2021 Years
Assumed life expectations on retirement at age 65:		
Retiring today		
- Males	21.90	21.80
- Females	23.90	23.80
Retiring in 20 years		
- Males	23.20	23.10
- Females	25.40	25.30
Amounts recognised in the profit and loss account	2022 £'000	2021 £'000
Net interest income on defined benefit liability	(10)	(18)
Other costs	-	33
Total (income)/costs	(10)	15
Amounts taken to other comprehensive income	2022 £'000	2021 £'000
Actual loss/(return) on scheme assets	5,268	(613)
Less: Calculated interest element	282	315
Loss/(return) on scheme assets excluding interest income	5,550	(298)
Actuarial changes related to obligations	(4,609)	668
Total costs	941	370

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

26 Retirement benefit schemes [Continued]

26.2.1 Edward Billington & Son Limited Retirement Benefits Scheme [Continued]

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	2022 £'000	2021 £'000
Present value of defined benefit obligations	12,862	18,047
Fair value of plan assets	(12,539)	(18,655)
Deficit/(surplus)	323	(608)

Movement in the present value of defined benefit obligations

	2022 £'000	2021 £'000
Liabilities at 30th August 2021	18,047	17,965
Benefits paid	(858)	(901)
Actuarial (gains)/losses	(4,609)	668
Interest cost	282	315
At 4th September 2022	12,862	18,047

Movements in the fair value of plan assets

	2022 £'000	2021 £'000
Fair value of assets at 30th August 2021	18,655	18,941
Interest income	292	333
(Loss)/return on plan assets (excluding amounts included in net interest)	(5,550)	298
Benefits paid	(858)	(901)
Contributions by the employer	-	17
Other	-	(33)
At 4th September 2022	12,539	18,655

Fair value of plan assets at the reporting period end

	2022 £'000	2021 £'000
Cash and cash equivalents	(133)	(110)
Equity instruments	2,814	4,574
Property	105	146
Debt instruments	8,707	12,764
Other	1,046	1,281
At 4th September 2022	12,539	18,655

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

26 Retirement benefit schemes [Continued]

26.2.2 Carrs Billington Agriculture Pension Scheme

The scheme ceased to accrue further benefits for its active members with effect from 1st December 2007.

Contributions paid into the scheme during the period amounted to £800,000. In line with the schedule of contributions dated 18th October 2022, the company has agreed to make no contributions to the scheme during the period to 28th August 2023, except for administration and other scheme expenses.

The liabilities of the scheme have been calculated by reference to the results of the 31st December 2021 full actuarial valuation. These have been updated for benefits paid out and changes to assumptions in the period from 31st December 2018 to the balance sheet date, to determine the defined benefit obligation reported below.

Key assumptions	2022 %	2021 %
Discount rate	4.50	1.70
Expected rate of increase of pensions in payment	3.50	3.30
Expected rate of salary increases	2.80	2.60
Pension increases - RPI max 5%	3.20	3.20
Pension increases - RPI max 3%	2.40	2.50
Pension increases - RPI max 2.5%	2.10	2.10
Mortality assumptions	2022 Years	2021 Years
Assumed life expectations on retirement at age 65:		
Retiring today		
- Males	22.20	21.80
- Females	23.90	23.80
Retiring in 20 years		
- Males	23.50	23.10
- Females	25.40	25.30
Amounts recognised in the profit and loss account	2022 £'000	2021 £'000
Net interest income on defined benefit asset	(91)	(69)
Loss on curtailments, changes or introductions	-	40
Other costs	95	81
Total costs	4	52

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

26 Retirement benefit schemes [Continued]

26.2.2 Carrs Billington Agriculture Pension Scheme [Continued]

	2022 £'000	2021 £'000
Amounts taken to other comprehensive income		
Actual loss/(return) on scheme assets	11,285	(3,806)
Less: Calculated interest element	727	714
Loss/(return) on scheme assets excluding interest income	12,012	(3,092)
Actuarial changes related to obligations	(11,216)	2,300
Total costs/(income)	796	(792)
The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:	2022 £'000	2021 £'000
Present value of defined benefit obligations	26,218	38,071
Fair value of plan assets	(31,209)	(43,062)
(Surplus) in scheme	(4,991)	(4,991)
Movement in the present value of defined benefit obligations	2022 £'000	2021 £'000
Liabilities at 30th August 2021	38,071	36,626
Plans introductions, changes or curtailments	-	40
Benefits paid	(1,273)	(1,540)
Actuarial (gains)/losses	(11,216)	2,300
Interest cost	636	645
At 4th September 2022	26,218	38,071
Movements in the fair value of plan assets	2022 £'000	2021 £'000
Fair value of assets at 30th August 2021	43,062	40,077
Interest income	727	714
(Loss)/return on plan assets (excluding amounts included in net interest)	(12,012)	3,092
Benefits paid	(1,273)	(1,540)
Contributions by the employer	800	800
Other	(95)	(81)
At 4th September 2022	31,209	43,062

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

26 Retirement benefit schemes [Continued]

26.2.2 Carrs Billington Agriculture Pension Scheme [Continued]

Fair value of plan assets at the reporting period end	2022 £'000	2021 £'000
Equity instruments	5,295	9,975
Debt instruments	19,702	25,056
Other	6,212	8,031
At 4th September 2022	31,209	43,062

27 Operating entities

	Country of Incorporation	Percentage of equity held by the group
Agricultural division		
Subsidiary undertakings		
Carrs Billington Agriculture (Operations) Limited	England and Wales	51
Criddle & Co. Limited	England and Wales	100
Associated undertakings		
+ Carrs Billington Agriculture (Sales) Limited	England and Wales	49
UK Foods division		
Subsidiary undertakings		
English Provender Company Limited	England and Wales	100
Dickens 2014 Limited	England and Wales	100
Billington Foods Limited	England and Wales	100
Property company		
Billington Property Management Ltd	England and Wales	100

+ Indicates companies audited other than by Mitchell Charlesworth (Audit) Limited.

Following the year end, on the 26th October 2022 the group acquired the remaining shareholdings of Carrs Billington Agriculture (Operations) Limited and Carrs Billington Agriculture (Sales) Limited. As sole owners the group will be able to support the business to introduce the infrastructure and investment required for its long term development.

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

28 Related party transactions

Included in other creditors is £933,722 (2021 £865,873) due to the directors at 4th September 2022.

Interest charged on these amounts during the period was £7,922 (2021 £9,128).

Other loans from shareholders amounted to £365,522 (2021 £347,943) on which interest of £3,224 (2021 £3,125) is payable.

During the period the group had a 49% interest in Carrs Billington Agriculture (Sales) Limited, the remainder of whose shares were owned by Carr's Group PLC. As detailed in note 27 the remaining 51% was acquired post year end.

Carr's Group PLC and its subsidiary, Carrs Billington Agriculture (Sales) Limited, entered into the following material transactions with the group during the period and had outstanding balances as follows:

4th September 2022	Sales £'000	Purchases £'000	Creditors £'000	Debtors £'000
Carr's Group PLC	-	1,425	42	-
Carrs Billington Agriculture (Sales) Limited	135,686	-	-	33,126

30th August 2021	Sales £'000	Purchases £'000	Creditors £'000	Debtors £'000
Carr's Group PLC	-	107	4	-
Carrs Billington Agriculture (Sales) Limited	120,666	-	-	23,403

29 Cash generated from operations

	2022 £'000	2021 £'000
(Loss)/profit for the period after tax	(10,002)	10,691
Adjustments for:		
Taxation	584	2,674
Net finance costs	430	321
Share of results of associates	(2,049)	(2,299)
(Gain)/loss on disposal of investments	(628)	(10,735)
(Gain)/loss on disposal of tangible fixed assets	(84)	(74)
Amortisation and impairment of intangible assets	14,020	4,548
Depreciation of tangible fixed assets	6,152	5,633
Impairment of fixed assets	-	987
Defined benefit pension contributions	(800)	(750)
Movements in working capital:		
(Increase)/decrease in stocks	(9,149)	(650)
(Increase)/decrease in debtors	(20,840)	(3,475)
Increase/(decrease) in creditors	9,284	7,565
Cash outflow from operations	(13,082)	14,436

Edward Billington and Son Limited and Subsidiaries

Notes to the Financial Statements [Continued]

For the 53 week period ended 4th September 2022

30 Analysis of changes in net debt

	At 29th August 2021 £'000	Cash Flow £'000	Other non- Cash Changes £'000	At 4th September 2022 £'000
Cash at bank and in hand	4,178	(2,830)	-	1,346
Bank overdrafts	(1,366)	(14,742)	-	(16,108)
	2,812	(17,572)	-	(14,760)
Debt due within one year	-	-	-	-
Debt due greater than one year	-	-	-	-
Finance leases	(1,297)	(1,711)	-	(3,008)
Total net cash/(net debt)	1,515	(19,283)	-	(17,768)
			2022 £'000	2021 £'000
(Decrease)/increase in cash in the year			(17,572)	7,743
Cash (inflow)/outflow in debt and lease financing			(1,711)	11,205
Movement in net debt in the year			(19,283)	18,948
Net debt at 29th August 2021			1,515	(17,433)
Net debt at 4th September 2022			(17,768)	1,515