BFS Group Limited

Annual report and financial statements

Registered number 00239718

Year ended 30 June 2021

Contents

Directors and Company information

Directors:

A Selley
A Kemp
A Brogan
S Bender
G Cox
D Cleasby
J Gouldie (appointed 2 September 2021)

Secretary

T Hamandi

Registered Office

814 Leigh Road
Slough
Berkshire
SL1 4BD

Independent Auditors

PricewaterhouseCoopers LLP
No.1 Spinningfields
1 Hardman Square
Manchester
M3 3EB

Bankers

HSBC Bank plc
8 Canada Square
London
E14 5XL

Strategic report

Principal Activities

The principal activities of the Company are the sale and distribution of food and non-food products to the catering trade. The Company operates under the main trading name of Bidfood. BFS Group Limited is ultimately owned by Bid Corporation Limited ("Bidcorp or "Group"), an international foodservice business with an entrepreneurial, decentralised business model.

Business Review

In line with many other businesses operating in the sale and distribution of food and non-food products to the catering trade, the COVID-19 outbreak and the subsequent local and national lockdowns enacted by the UK governments led to a downturn in the Company's results. Despite the impact of the pandemic, the Company has generated a profit for the financial year of £13,536,000 (2020: £23,008,000).

The Company replaced some of the lost catering business pivoting to other markets, such as click and collect and home delivery and also by winning large contracts with the UK government to provide shield support packs to vulnerable members of the public and lateral flow test kits to schools. The Company avoided large scale reorganisation by controlling costs and utilising the Government's Job Retention scheme during the period. As COVID-19 restrictions have eased, demand for the Company's services have increased and by the end of the financial year the Company was trading higher than pre-COVID-19 comparative volumes.

The Statement of comprehensive income for the year is set out on page 19.

In the prior year, on 07 March 2020 the Company successfully completed the sale of the Best Food Logistics trading division. Best Food Logistics operated in the QSR (Quick Service Restaurants) contract logistics market and was non-core to Bidcorp. Accordingly, the results of Best Food Logistics have been included in the Statement of comprehensive income until the sale date and have been classified as a discontinued operation.

Future Developments

Provided there are no further COVID-19 restrictions in the UK economy, and subject to the current global and national supply chain obstacles, the Company anticipates a strong trading performance in the next financial year due to pent up underlying demand, customers valuing our service excellence and more staycations due to travel restrictions.

Key Performance Indicators

The Directors consider that the key financial performance indicators are: Revenue, Gross Profit %, Operating Profit % and Net Assets. Together these demonstrate the financial performance and strength of the Company. An overview of these indicators, for continuing operations, for both current year and prior year is given below and the Directors are satisfied with the Company's results for the year:

Revenue:	£1,036,759,000 (2020 - £1,317,081,000)
Gross Profit %:	24.2% (2020 – 25.8%)
Operating profit % (pre-exceptional items):	2.5% (2020 – 4.6%)
Net Assets:	£119,744,000 (2020 - £106,082,000)

Revenue from continuing operations fell by 21% because of the COVID-19 pandemic which also led to the gross profit margin decreasing by 1.6 percentage point as a result of changes in customers and product mix and in turn a 2.1 percentage point decrease in the operating profit margin. Net assets increased as a result of profit after taxation of £13,536,000 and share based payments equity releases of £126,000.

Strategic report (continued)

Key Performance Indicators (continued)

The Company views the external audit of compliance with the BRCGS Storage and Distribution Standard a key non-financial KPI. This is an independent audit performed annually at each site by NSF International; during the financial year 2021 the Company received 26 AA ratings (2020: 26 AA ratings).

Principal risks and uncertainties

The Company's operational risks include supply chain integrity, staff shortages, environmental, health and safety and IT. The Company manages these risks through an established control framework and internal and external audits. Disaster recovery procedures exist to enable rapid response to adverse events, including power and IT outages, and are implemented when required.

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash safely and profitably.

The Company's commercial risks include unprofitable contracts, cost price inflation, bad debts and fuel and energy price volatility. Potential new business undergoes both a comprehensive profit study and credit checks before being tendered. Increases in cost prices are passed onto customers in pricing reviews. Significant focus is placed on the minimisation of bad debt risk and credit insurance is held for the majority of customers. Fuel prices and availability are continually monitored, and taken into account in pricing strategy.

As set out in the business review, COVID-19 has caused a downturn in the Company's results notably through lockdown periods when the Government enforced closures of schools, hotels, restaurants, pubs and cafes and as such, further waves of the pandemic pose further risks to the Company. The Company benefits from a diverse customer base therefore while the pandemic negatively affected the hospitality sector, other institutional sectors such as prisons and hospitals remained largely unaffected. The Company put in place regular COVID-19 meetings and working groups to ensure rapid responses to changes in regulations caused by the pandemic. A large number of safeguarding measures are now ingrained at depots and offices to ensure working practices remain safe.

Going Concern

In determining whether the Company's financial statements can be prepared on a going concern basis, the Directors considered the Company's business activities together with factors likely to affect its future development, performance and its financial position including cash flows, liquidity position and borrowing facilities and the principal risks and uncertainties relating to its business activities.

In concluding that the going concern basis of preparation is appropriate the Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which take into account current trading conditions and reasonably possible downsides, such as hospitality, schools and work place catering sectors being closed due to further COVID-19 restrictions.

Based on these forecasts of the Company's cash position, the Directors have reasonable certainty that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Strategic report (continued)

Section 172 statement Companies Act 2006

The Company has adopted the King IV Governance principles, using the framework to demonstrate how the Board makes decisions for the long term success of the Company and its stakeholders in meeting the requirements of Section 172 of the Companies Act 2006. King IV Governance principles (available at www.iodsa.co.za/page/kingIV) is a basket of guidelines for governance structures and operation for companies in South Africa, where the Company's ultimate parent is listed on the Johannesburg Stock Exchange. Further information regarding the role of the Board and how they have complied with the requirements of section 172 are included in the Corporate Governance statement on page 6.

Strategy

The Company's operates a triple bottom line strategy, this ensure that the Company focuses not solely on results but also the wider social and environmental impact it has on the communities in which it operates;

- Results – in alignment with the Company's KPIs;
- Reputation – focussed on delivering service excellence; and
- Relationships – with employees and key stakeholders.

The Company implements this strategy through our proposition to support customers using our Key Ingredients model:.

Service Excellence - a 'second to none' service is one of the most critical elements required for our customers to run their business effectively. The aim is to provide a seamless service that allows customers the reassurance that once the order is placed, that's a job done.

Great Food - whatever the customer's menu requires, we can provide the best choice of products in the market, across food, drink and catering supplies. We are passionate about food quality, its provenance, and operating a sustainable supply chain.

Real Value - Delivering long term value through our supplier partnerships and procurement expertise while keeping prices competitive, fair and transparent. We add value to our customers beyond simple commercial activity, through marketing initiatives, trends, food attributes, menu development support and management information.

Best Team - In order to deliver service excellence we have a strategy of attracting, developing and retaining the best people who work together, creating great partnerships, both inside and outside of our business.

Forward thinking - Anticipating future food and consumer trends to ensure we can support customers with tailored insight and innovation. Leading the industry's sustainability and social responsibility agenda and embracing new technology to continuously enhance our service.

Key Decisions Made in the year

Distribution of COVID-19 Test Kits

Following the Company's successful distribution of parcels containing essential goods to the clinically extremely vulnerable during the first lockdown, the government approached the Company to supply Covid-19 test kits to schools throughout England as a key component of the government's strategy to ease lockdown and get the economy back up and running.

Strategic report (continued)

Key Decisions Made in the year (continued)

Distribution of COVID-19 Test Kits (continued)

The impact on our key stakeholders, including our existing customers, employees and suppliers, needed to be considered prior to committing to supporting the government's strategy and progress with the test kits. The decision to progress with the contract provided additional revenue, during a still uncertain period, and supported the country with the return to schools in March 2021.

Operationally this was challenging for the business, with significant planning, investment in resource and vehicles to ensure the deliveries requirements were met whilst, in parallel, mobilising our core customers as the lockdown measures started to ease in April 2021.

Purchase of Glasgow site

The Company invested in land in Glasgow during the year in preparation to build a new state of the art site and as part of its continuous investment strategy. Our existing site in Edinburgh is expected to reach capacity within 2 years and this investment will provide significant headroom for growth in Scotland.

The decision follows a lengthy search by the project team and the site in Glasgow provides excellent and efficient transport links and will enhance our offering for the West of Scotland. The build is expected to commence later in 2021 once the land remediation work has been completed.

Brexit

Following the UK's exit from the EU on the 31st December 2020, the Company has been required to make some key strategic decisions affecting stakeholders, primarily our suppliers, customers and employees.

Ahead of Brexit, we worked alongside our suppliers to ensure that there would be minimal risk of disturbance to our customers. At the 31st December 2020, the country was in national lockdown which reduced demand for our services and therefore helped mitigate the implementation of the necessary change. Subsequently as demand for our services have increased we have been in constant dialogue with our suppliers, increasing our stock holding in key products, sharing forecasts and discussing alternative products when supply has been affected.

For our customers, we have maintained our strong communication, proactively providing supply updates especially on shorter life products and when there were changes in prices, eg due to changed tariffs.

We have a number of EU resident employees and we have been assisting these employees to obtain permits under the UK's EU settlement scheme.

Approved on behalf of the board, and signed by:

DocuSigned by:
Andrew Selley
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A Selley
Company Director

814 Leigh Road
Slough
Berkshire, SL1 4BD

Directors' report

Corporate Governance Report

For the year ended 30 June 2021, under The Companies (miscellaneous Reporting) Regulations 2018, the Company has applied the King IV Governance principles (available at www.iodsa.co.za/page/kingIV). A gap analysis of existing corporate governance practices in the Company has been completed and compared to: the BidCorp Group responses, the King IV corporate governance standards and the Companies Act 2006 s.172 disclosure requirements. The analysis by the Company concluded that 16 of the 17 Principles of King IV were met in full compliance - with the 17th principle not being relevant - as detailed as follows;

Principle 1: The governing body should lead ethically and effectively.

The Board exercises effective leadership, adhering to the duties of a director. The directors have the necessary competence and act ethically in discharging their responsibility to provide strategic direction and control of the Company as provided for in the board charter. The key areas reviewed and adopted as being components of the directors' duties are integrity, competence, responsibility, accountability, fairness and transparency and are all measured and controlled by the CEO and reported in meeting minutes and management reporting to Group.

The Board adheres to the Bidcorp Declaration of Interest and Code of Ethics policies based on the Companies Act requirements. The Board acknowledges the declarations made through the Divisional Audit and Risk committee (DARC) and acts on all conflicts of interest.

The Board are required to undertake specific e-learning training which has been identified for their role. This includes Competition Act, Data Protection, Bribery and Health and Safety, in addition a Legal Health and Safety brief is provided on an annual basis.

Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.

The Board sets out a clear message and leads by example, including: ethical business practice, human rights and being a responsible corporate citizen, through its code of ethics policy which is integrated throughout the business ways of working, ensuring honesty and fairness to all stakeholders, including the 'Care, Share and Dare' Company values in interactions with all employees.

The Board support a whistleblowing tip off line to detect breaches of ethical standards. The Ethics Code and details of the tip off line are published on the Bidfood intranet and a copy is issued to all new employees. All calls are logged and appropriately investigated by the HR & Sustainability Director and where necessary escalated to the Board.

Principle 3: The governing body should ensure that the organisation is, and is seen to be, a responsible corporate citizen.

The Board is committed to strategic objectives, and managing the key risks and opportunities related to being a good corporate citizen, in particular regarding sustainability.

The Company is a leading force in engagement and collaboration within the UK wholesale trade to find lasting solutions to the sustainability challenges. The Company has won 29 industry awards for sustainability initiatives and has ISO certification 14001&14064 and The Planet Mark certification.

The Company has signed up to the WRAP Courtauld Commitment 2025, which aims to reduce the resources needed to provide food and drink in the UK by 20% in 10 years. The business has also pledged to Target, Measure and Act on food waste that goes to landfill, not least because once there it decomposes and generates greenhouse gases.

Directors' report (continued)

Corporate Governance Report (continued)

Principle 4: The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

The Board has a five year strategic plan in place which ensures that the business and its stakeholders are all aware of, and are committed to, working to the same goals. In line with Bidcorp standards, the Board ensures and monitors that all targets and business performance are reported and communicated to stakeholders as appropriate. Risks and opportunities are considered by the Risk and Assurance Group (on behalf of the Board) which consists of senior managers and 3 Board members, who review all risks and opportunities across the business on a quarterly basis reporting to the DARC and the Board. This ensures key issues, risks and opportunities are considered by the Board in all key decision making.

Principle 5 – The board should ensure that reports issued by the Company enable stakeholders to make informed assessments of the company's performance, and its short, medium and long- term prospects.

The Board reviews extensive management information provided from the Company's systems, together with analysis of that information from the business. The Finance function is responsible for the integrity and accuracy of the financial information, supported by its Information Technology function. Trading and other information is reviewed on a daily, weekly or monthly basis, depending on the nature of the information. Performance against budgets, forecasts and other KPIs is also measured and reported on to the same timescales.

The Board acknowledge and comply with the requests for real-time management information from Group to enable them to report on Group wide activities. The Board fully comply with DARC reporting deadlines and ensures all relevant disclosures are reported to the Group each month and quarter. The Board ensure that all legally required reporting of financial data, sustainability reporting and government taxes and declarations are made on time, with other relevant data being published on the Bidfood UK website.

Principle 6 – The board should serve as the focal point and custodian of corporate governance in the company.

The business has established a Corporate Governance Policy booklet to collate key charters, policies and guides on areas of governance procedures being followed across the business. The CEO and CFO confirm adherence each quarter in the Management Representation letter to Group on behalf of the business ensuring full compliance with governance standards.

The Board's key roles include establishing a vision, mission and values (Care, Share & Dare) to guide and set the pace for its current operations and future developments. To ensure the values are promoted throughout the company, whilst reviewing company goals. A 5 year Strategic Plan has been agreed to identify future opportunities, threats and risks in the external environment; and current and future strengths, weaknesses and risks relating to the business. This is communicated to all employees to ensure that the company's organisational structure and capability are appropriate for implementing the chosen strategies.

Directors' report (continued)

Corporate Governance Report (continued)

Principle 7 – The board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

The Board comprises the following members:

- A Selley - CEO
- A Kemp - Group Sales and Marketing Director
- A Brogan - CFO
- S Bender – European FD
- G Cox – Operations Executive
- D Cleasby – Bidcorp Group CFO
- J Gouldie – Supply Chain and Technical Services Director

The Board considers nominations of new directors and considers the skills required against a range of criteria including: background, experience, professional skills, personal qualities and capacity to commit to the Company's activities.

Operational responsibility for day to day running of the business is executed through the divisional leadership team which meets regularly for operational meetings, with a minimum of a quarterly Board meeting chaired by the CEO to consider planning and strategic issues. Oversight of the Board is provided through regular communication with the Group Board and DARC that meets quarterly and which is chaired by a non-executive director.

A divisional leadership team has responsibility for day to day operations to the Board. The divisional leadership team comprises experienced leaders in their respective fields, reporting ultimately to the CEO.

Principle 8 – The board should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.

The Board acknowledges the Group process of sub - committees, both their structure, and membership appointed by the Group. The Board has established committees in order to share detailed work and each committee reports back to the Board to advise on any matters of substance. The key committees include: DARC, Risk and Assurance Group, National Accounts Executive, Commercial Strategy Executive, E-commerce Executive, Operational Efficiency Executive and Range Optimisation Committee.

Adequate processes and structures have been implemented to assist the committees in providing oversight and ensuring the integrity of financial reporting, internal control and other governance matters relating to the business are in place.

Principle 9 – The board should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.

The Board acknowledge the ongoing reviews that are carried out by the Group Nominations committee of the Chairman and non-executive directors on a regular basis.

The CEO conducts an evaluation of the Boards performance on an ongoing basis, this included discussions both collectively and individually about: the role of the Board, the processes, Company performance, performance of individual directors and continuing professional development.

There is an ongoing informal review of the Board by the CEO and Group CEO. The Board members are subject to annual performance appraisals and key performance targets being agreed.

Directors' report (continued)

Corporate Governance Report (continued)

Principle 10 – The board should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.

The CEO was appointed in May 2014 on the recommendation of the nominations committee. The Board reviews and approves the framework for top level delegation of authority and has delegated responsibility for matters relating to the Company and subsidiaries.

The Group General Counsel and Company Secretary was duly appointed by the Board in accordance with the Companies Act 2006. The Board considers the competence, qualifications and experience of the company secretary annually and is satisfied that he is competent and has the appropriate qualifications and experience to serve as the company secretary. The company secretary has a direct channel of communication to the CEO, while maintaining an arm's- length relationship with the Board as far as reasonably possible.

Principle 11 – The board should govern risk in a way that supports the company in setting and achieving its strategic objectives.

The Board is directly responsible for the governance of risk management and its direction across the business. This is reaffirmed in the Risk and Assurance Group Charter. The Board has instituted a Risk and Assurance Group (Combined Assurance) to oversee the business risk and assurance structure to ensure risk management is fully embedded across the business operations.

The Risk Assurance Group advise the Board on emergent risks, current risks and the risk appetite of the business, considering the level of risk aversion the Board is prepared to accept. The Risk Assurance Group review and present the Top 25 business risks to the Board and DARC every quarter. To support the board in ensuring effective risk management oversight, the DARC is responsible for ensuring effective monitoring of relevant group top risks. During the COVID-19 pandemic, we created a Covid-19 risk register which was continually updated and reviewed by the Board.

Principle 12 – The board should govern technology and information in a way that supports the company setting and achieving its strategic objectives.

The Board is ultimately responsible for the governance for Information Technology (IT), supported by the IT Director and the IT Team who are responsible for the day to day management of IT controls. The IT Team manage all risks in this area and the top risks are reported to the DARC. Internal Audit also review the IT related controls every year and report their findings to the business and DARC. The business acknowledges the Bidcorp IT Framework, which is aligned to all Group risks, third party management and disaster recovery plans. All our major IT projects are aligned to the key strategic objectives of the business agreed, authorised and managed throughout to ensure compliance to all legislation.

Principle 13 – The board should govern compliance with applicable laws and adopted, non- binding rules, codes and standards in a way that supports the company being ethical and a good corporate citizen.

The Board is regularly updated on key changes in rules, regulations and law, and delegates compliance with them to the relevant departments within the business. The Board confirms each quarter that they have put in place the necessary processes and tools to ensure that they continuously strive to minimise the negative impact their operations might have on the environment and the communities within which they operate. These efforts are demonstrated through waste management activities, water and energy efficiencies and overall climate change awareness and monitoring.

Directors' report (continued)

Corporate Governance Report (continued)

Principle 14 – The board should ensure that the company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

The Board recognises that its employees are its greatest asset and ensure that the business remunerates fairly and transparently to ensure that employees are rewarded and motivated to achieve individual targets, whilst retaining and attracting skilled resource in line the business and stakeholder interests.

Executive pay structures are designed to promote sustainable, long-term success. The Company operates a long term incentive plan that is intended to enable the Company to attract and retain high quality senior management while incentivising required behaviours and performance.

The Board are ultimately responsible, although the day to day management is delegated to the People & Sustainability Director, to ensure full legal compliance is maintained, whilst engaging with trade unions and other organisations where required. There is a job grading process which allows external benchmarking of salaries and benefits for job roles and the business participates in industry led market analysis and produces, with actions, a gender pay gap report.

Principle 15 – The board should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision making and of the company's external reports.

The Board is responsible for assurance to ensure that an effective control environment is in place. The Board have implemented a combined assurance process which is overseen by the Risk and Assurance Group who report to the Board and support the management reporting to the DARC. The combined assurance approach has been implemented that assists in addressing control over the key risks facing the business. Such risks and their mitigating controls are identified and controlled by management, and the process is monitored and evaluated by the Group Internal Audit team.

An Internal Audit Charter is in place and outlines the responsibilities of the internal audit function and the DARC has been delegated the responsibility for overseeing that assurance services are executed in line with the charter. On an annual basis a risk-based internal audit plan is approved by the DARC, which is based on an assessment of risk areas identified by internal audit, as well as focus areas highlighted by the DARC and management. Internal Audit team operate independently from the Board; who have the necessary authority, which includes unfettered access to meetings, minutes, documentation and risk registers of the business. Internal Audit's performance is evaluated annually by the DARC and management who confirm that they have the necessary competence and independence.

Directors' report (continued)

Corporate Governance Report (continued)

Principle 16 – In the execution of its governance role and responsibilities, the board should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the company over time.

The Company has a number of key stakeholders and the relationship the Company maintains with its stakeholders are critical to the business' success. As such these relationships are continually considered when key decisions are made by the board and, where necessary, the Board may discuss decisions with stakeholders ahead of committing to change.

The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the Directors factor in the implications of decisions on employees and the wider workforce, where relevant and feasible.

Activities include:

- Quarterly consultation meetings with Employee Representatives from the operational departments and twice yearly consultation meetings with Employee Representatives from Business Support units;
- Quarterly Health and Safety meetings with our Trade Unions nationally;
- Local Employee Voice meetings held every other month at depots;
- Senior management engagement and monitoring of the Company's defined contribution pension scheme;
- "Your Voice" engagement survey and subsequent action planning.

We are committed to pay equality and diversity in the business and produce an annual Gender Pay Report and associated plans, and have a series of initiatives promoting diversity in the business.

We engage fully and openly with colleagues and their representatives through channels such as consultative committees, joint working parties, briefing groups and collective bargaining agreements with trade unions.

Staff are regularly updated on corporate and individual business unit objectives, trading performance and market conditions through a variety of communication methods.

Principle 17 – The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote good governance and the creation of value by the companies in which it invests.

As the Company is not an institutional investor, this principle does not apply to the Company.

Employee engagement

It's paramount that the Company acts as a responsible employer as employees are fundamental to the success of the business, examples of the activities performed to engage with employees during the year are listed in principle 16 above. The Company remunerates employees fairly and transparently as set out in principle 14 and the Company values of Care, Share and Dare, detailed in principle 2, are ingrained in employee ways of working. In the key decisions made in the year, discussed in the strategic report, examples are given on how employees are considered throughout the Board's decision making processes and when applicable this can lead to decisions changing.

Stakeholder engagement

The Company operates in a highly connected environment and therefore stakeholder engagement is critical to the Company's success. Key stakeholders need to access Company information quickly and accurately - which is detailed in principle 5. In the key decisions made in the year, discussed in the strategic report, examples are given on how stakeholders are considered throughout the Board's decision making processes.

Directors' report (continued)

Energy and emissions report

	2021 Total		2020 Continuing		2020 Discontinued		2020 Total	
	Tonnes of CO2e	kWh	Tonnes of CO2e	kWh	Tonnes of CO2e	kWh	Tonnes of CO2e	kWh
Scope 1 emissions from gas	244	1,329,943	384	2,088,377	119	645,523	503	2,733,900
Scope 1 emissions from fleet	-	-	-	-	20,049	744,300	20,049	744,300
Scope 1 emissions from cars	690	26,150	1,670	62,001	43	1,593	1,713	63,594
Scope 1 emissions from refrigeration	2,867	-	2,746	-	3,263	-	6,009	-
Total Scope 1	**3,801**	**1,356,093**	**4,800**	**2,150,378**	**23,474**	**1,391,416**	**28,274**	**3,541,794**
Scope 2 emissions from standard electricity	8,930	42,058,156	10,503	45,051,721	2,456	10,533,702	12,959	55,585,423
Scope 2 emissions from onsite renewable energy generation	-	676,666	-	789,546	-	230,037	-	1,019,583
Scope 2 emissions reduction from export of onsite renewable energy to grid	(8)	(37,214)	(11)	(47,595)	-	(25,929)	(11)	(73,524)
Total Scope 2 emissions gross	**8,930**	**42,734,822**	**10,503**	**45,841,267**	**2,456**	**10,763,739**	**12,959**	**56,605,006**
Total Scope 2 emissions NET	**8,922**	**42,697,608**	**10,492**	**45,793,672**	**2,456**	**10,737,810**	**12,948**	**56,531,482**
Total Scope 1 and 2 emissions NET	**12,823**	**44,053,701**	**15,292**	**47,944,050**	**25,930**	**12,129,226**	**41,222**	**60,073,276**
CO2e (kg) per case delivered	**0.11**		**0.11**		**0.48**		**0.23**	

2021 all emissions are from continuing activities of the Company.

Scope 1 – All Direct Emissions from the activities of the Company.

Scope 2 – Indirect Emissions from electricity purchased and used by the Company.

CO2e (kg) per case delivered has been used as an intensity ratio given it is a comparable measure between fellow Group companies and other UK businesses.

During the year, the Company had to face the continued challenges presented by the COVID-19 pandemic which has impacted on their overall carbon footprint. Scope 1 emissions have reduced by just over 20% compared to the prior year whilst Scope 2 emissions have decreased by almost 15%. This is reflective of decreased activity on sites due to reduction in customer orders and volumes.

The Company continues to identify opportunities to drive energy efficiency and during the current and prior year invested in; lighting using more efficient LED solutions and replacing refrigeration.

The Company has committed to setting a net zero carbon target for 2045, in line with the Science Based Targets initiative (SBTi). The SBTi is the global standard of net zero commitments, as it ensures that reporting and targets are both verified and robust. 2018/19 is our emissions baseline year (last 'normal' year of operations to be unaffected by Covid-19) and the commitment will cover Scope 1, 2 and 3 emissions.

Directors' report (continued)

Results and dividends

The Company made an operating profit, before exceptional items, for the year of £25,720,000 (2020: £58,052,000). The Company's net profit amounted to £13,536,000 (2020:£23,008,000).

No dividends have been paid in respect of the year ended 30 June 2021 (2020: £32,650,000 (10.88p per share)). The Directors do not recommend the payment of a final dividend (2020: £Nil).

Employment of disabled persons

It is the policy of the Company to give full and fair consideration to applications for employment made by disabled persons having regard to their particular aptitudes and abilities. Wherever possible, arrangements are made for the continued employment of persons who have become disabled during service and for appropriate training, career development and promotion of disabled persons.

Information to employees

Appropriate action has been taken to develop arrangements aimed at providing Company employees with information on matters of concern to them, consulting with employees or their representatives, encouraging their involvement in the Company's performance, and achieving an awareness on the part of employees of the financial and economic factors affecting the Company's performance. This action is taken via various different methods including newsletters, CEO briefings, Union discussions, Your Voice survey and the Company's intranet site.

Directors

The Directors who held office during the year, and up to the date of approval of these financial statements:

D Cleasby	
S Bender	
A Selley	
A Kemp	
A Brogan	
J Gouldie	(appointed 2 September 2021)
G Cox	
N Wemyss	(resigned 30 September 2020)

Creditor payments

The Company agrees terms and conditions under which business transactions with suppliers are conducted. It is Company policy that payments to its suppliers are made in accordance with these terms, provided that the supplier is also complying with all relevant terms and conditions. The trade creditor days on a continuing basis as at the year-end increased to 70 days of average daily purchases compared to 36 days in the prior year, which had been distorted by the impacts of the Covid 19 lockdowns.

Political and charitable contributions

The Company made no political contributions during the year *(2020: £Nil).* Donations to UK charities amounted to £50,000 *(2020: £16,000).*

Directors' and officers' liability insurance

The Company provided qualifying third party indemnity provisions to certain directors of associated companies during the financial year and at the date of this report.

Directors' report (continued)

Disclosure of information to auditors

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

Independent auditors

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be processed at a future board meeting.

Approved on behalf of the board, and signed by:

DocuSigned by:
Andrew Selley
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A Selley
Company Director

814 Leigh Road
Slough
Berkshire
SL1 4BD

Statement of Directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

This statement was approved by the board of Directors on 24 November 2021 and was signed on its behalf by:

DocuSigned by:
Andrew Selley
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A Selley
Company Director

Independent auditors' report to the members of BFS Group Limited

Report on the audit of the financial statements

Opinion

In our opinion, BFS Group Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 30 June 2021; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- obtaining the directors' forecasts and going concern assessment for the period to the end of June 2023;
- evaluating the process by which the directors' future cash flow forecasts were prepared;
- reviewing the arithmetical accuracy of the directors' forecasts;
- agreeing the working capital and cash position in the directors' cash flow forecasts to the September 2021 management accounts;
- evaluating and assessing the directors' key assumptions in the going concern assessment, including the forecast revenues and anticipated operating margins over the period to the end of June 2023, which included a sensitivity analysis of the key assumptions underpinning the cash flows throughout the going concern period; and
- reviewing the directors' disclosures in the financial statements.

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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Independent auditors' report to the members of BFS Group Limited **(continued)**

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 June 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Independent auditors' report to the members of BFS Group Limited (continued)

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and the Coronavirus Job Retention Scheme, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of the financial statements through fictitious journal postings. Audit procedures performed by the engagement team included:

- Obtained an understanding of the legal and regulatory framework applicable to the Company and how the Company is complying with that framework;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- Challenging assumptions and judgements made by management in their significant accounting estimates.

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Michael T

Michael Timar (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
24 November 2021

Statement of comprehensive income
for the year ended 30 June 2021

	Note	2021	2020 Continuing	2020 Discontinued	2020 Total
		£000	£000	£000	£000
Revenue	4	**1,036,759**	1,317,081	867,637	2,184,718
Cost of sales		**(786,159)**	(977,550)	(788,067)	(1,765,617)
Gross profit		**250,600**	339,531	79,570	419,101
Distribution costs		**(199,790)**	(253,636)	(72,839)	(326,475)
Administrative expenses		**(33,634)**	(31,707)	(9,157)	(40,864)
Other operating income	5	**8,544**	6,290	-	6,290
Operating profit/(loss) before exceptional items	6	**25,720**	60,478	(2,426)	58,052
Inter group loan provisioning	7	**(2,938)**	(6,000)	-	(6,000)
Exceptional income/(costs)	7	**3,571**	(11,470)	(5,097)	(16,567)
Operating profit/(loss) after exceptional items		**26,353**	43,008	(7,523)	35,485
Income from shares in group undertakings	10	-	1,550	-	1,550
Finance income	11	-	17	3	20
Finance expenses	12	**(5,942)**	(5,781)	(1,596)	(7,377)
Profit/(loss) before taxation		**20,411**	38,794	(9,116)	29,678
Tax on profit/(loss)	13	**(6,875)**	(7,636)	966	(6,670)
Profit/(loss) for the financial year		**13,536**	31,158	(8,150)	23,008
Other comprehensive income for the financial year, net of income tax		-	-	-	-
Total comprehensive income/(Expense) for the financial year		**13,536**	31,158	(8,150)	23,008

All revenues and operating profits for 2021 are derived from continuing operations.

The notes on pages 22- 46 form part of these financial statements.

Balance sheet
at 30 June 2021

	Note	2021 £000	2020 £000
Fixed assets			
Property, plant and equipment	*15*	**91,572**	91,512
Right of use assets	*16*	**62,444**	71,965
Intangible assets	*17*	**14,201**	14,674
Investments	*18*	**78,468**	66,566
Deferred tax	*25*	**-**	1,680
		246,685	246,397
Current assets			
Stocks	*19*	**70,162**	63,781
Trade and other receivables	*20*	**213,632**	127,796
Cash at bank and in hand		**37,708**	34,103
		321,502	225,680
Total assets		**568,187**	472,077
Current liabilities			
Bank overdrafts		**-**	(4,869)
Loans and borrowings	*21*	**(29,592)**	(29,593)
Trade and other creditors	*22*	**(286,911)**	(204,577)
Provisions for liabilities	*24*	**(5,383)**	(14,068)
		(321,886)	(253,107)
Non-current liabilities			
Loans and borrowings	*21*	**(112,014)**	(101,174)
Provisions for liabilities	*24*	**(11,799)**	(11,714)
Deferred tax liabilities	*25*	**(2,744)**	-
		(126,557)	(112,888)
Total liabilities		**(448,443)**	(365,995)
Net assets		**119,744**	106,082
Capital and reserves			
Called-up share capital	*27*	**30,000**	30,000
Share premium account		**11,843**	11,843
Retained earnings		**77,901**	64,239
Total shareholders' funds		**119,744**	106,082

The notes on pages 22 - 46 form part of these financial statements.

These financial statements were approved by the board of Directors on 24 November 2021 and were signed on its behalf by:

DocuSigned by:

Andrew Selley

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Company Director

Statement of changes in equity
for year ended 30 June 2021

	Share capital £000	Share premium £000	Retained earnings £000	Total £000
Balance at 1 July 2019	30,000	11,843	74,405	116,248
Total comprehensive income for the year				
Profit after taxation	-	-	23,008	23,008
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	**23,008**	**23,008**
Transactions with owners, recorded directly in equity				
Dividends	-	-	(32,650)	(32,650)
Equity settled share-based payments	-	-	(524)	(524)
Balance at 30 June 2020	**30,000**	**11,843**	**64,239**	**106,082**
Total comprehensive income for the year				
Profit after taxation	-	-	13,536	13,536
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	**13,536**	**13,536**
Transactions with owners, recorded directly in equity				
Equity settled share-based payments	-	-	126	126
Balance at 30 June 2021	**30,000**	**11,843**	**77,901**	**119,744**

The notes on pages 22 - 46 form part of these financial statements.

Notes to the financial statements

1 Accounting policies

BFS Group Limited (the "Company") is a company incorporated in the UK, and is a private company limited by shares. The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group. Accounting policies have been consistently applied other than where new accounting standards have been applied, as detailed further below.

The Company's ultimate parent undertaking, Bid Corporation Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Bid Corporation Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Group's website (www.bidcorpgroup.com).

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Comparative year reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Bid Corporation Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- IFRS 2 *Share Based Payments* in respect of group settled share-based payments;
- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible
- The disclosures required by IFRS 7 *Financial Instrument Disclosures*

Going concern

In determining whether the Company's financial statements can be prepared on a going concern basis, the Directors considered the Company's business activities together with factors likely to affect its future development, performance and its financial position including cash flows, liquidity position and borrowing facilities and the principal risks and uncertainties relating to its business activities. As described in the Strategic report, the COVID-19 pandemic has had a material impact on the Company's trading.

In concluding that the going concern basis of preparation is appropriate the Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which take into account current trading conditions and reasonably possible downsides, such as hospitality, schools and work place catering sectors being closed due to further COVID-19 restrictions. Based on these forecasts of the Company's cash position, the Directors have reasonable certainty that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Measurement convention

The financial statements are prepared on the historical cost basis. Non-current assets and disposal groups held for sale are stated at the lower of value in use and fair value less costs to sell.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Non-current assets held for sale and discontinued operations

A non-current asset or a group of assets containing a non-current asset (a disposal group) is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use; it is available for immediate sale and sale is highly probable within one year.

A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative Statement of comprehensive income is restated as if the operation has been discontinued from the start of the comparative period.

Lease agreements

From 1 July 2019 the Company adopted IFRS 16 Leases and as such operating leases were brought onto the Company's balance sheet with a right-of-use asset and an associated lease liability recognised within loans and borrowings.

At the commencement date the right-of-use asset is measured at cost, which is equal to the amount of the initial measurement of the lease liability plus payments made less incentives received before the commencement date of the lease. The lease liability is initially measured at the present value of future lease payments. The present value of future lease payments is the total lease payments unpaid, discounted at the Company's incremental borrowing rate. The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability arising from a reassessment of the lease term, revision to lease break assumptions or revision to in-substance fixed lease repayments.

The depreciation and impairment accounting policies applied to the right-of-use assets are consistent with those applied to the respective tangible asset categories with depreciation charged on a straight-line basis over the lease term. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and adjusted to reflect any reassessment of the lease term. The interest expense is recognised in the Statement of comprehensive income.

Investments

Investments in subsidiaries are carried at cost less impairment. Acquisition costs are expensed to the income statement as they are incurred.

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the Statement of comprehensive income.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the Statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within distribution costs and administrative expenses.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement within distribution and administrative expenses, on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Land	- not depreciated
Freehold building	- over the properties' useful life to its estimated residual value
Long leasehold improvements	- the shorter of the lease term or fifty years
Short leasehold improvements	- the period of the lease
Plant, machinery and vehicles	- three to ten years

Assets under construction are recorded at cost. No depreciation is provided on these assets until the assets are completed, and have been brought into use, at which point, they are transferred into one of the above categories, and depreciation commences.

Intangible assets

Goodwill is stated at cost less any accumulated impairment losses and is allocated to cash-generating units. It is not amortised but is tested annually for impairment. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and impairment losses. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of comprehensive income.

Amortisation is charged to the income statement within distribution and administrative expenses, on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

IT Software assets	- three to ten years

IT Software work in progress is recorded at cost. No amortisation is provided on these assets until the assets are completed, and have been brought into use, at which point, they are transferred into the above category, and amortisation commences.

Investments and income from group undertakings

Shares in Group undertakings are stated at cost less any provision for impairment. Dividend income is recognised in the Statement of comprehensive income on the date the Company's right to receive payments is established.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Trade and other receivables

Trade and other receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditional. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables are grouped, based on shared credit risk characteristics and the days past due.

Stocks

Stocks are stated at the lower of cost and net realisable value and are net of supplier rebates receivable. Cost includes expenditure incurred in acquiring the stocks and bringing them to their existing location and condition and are valued at average delivered cost.

Cash at bank and in hand

Cash and cash equivalents comprise cash and bank balances, call deposits and bank overdrafts, which are netted off, where there is a legal right of set-off. Where no legal right of set-off exists, bank overdrafts are shown separately within current liabilities.

Impairment

The carrying amounts of the Company's assets other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Loans and borrowings

Loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of borrowings on an effective interest basis.

Trade and other creditors

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

Share capital and reserves

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The increase in the provision due to passage of time is recognised as an interest expense in the Statement of comprehensive income.

Exceptional items

Exceptional items are those material items which, by virtue of their size and non-recurring nature, are presented separately in the income statement to give a full understanding of the Company's financial performance. Transactions which may give rise to exceptional items typically include the restructuring of business activities, disposal and impairment of investments or goodwill, inter group loan provisions, discontinued operations and impairment of property plant and equipment and intangible assets.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Share-based payment transactions

The share option programme allows certain Company employees to acquire shares of the ultimate parent company; these awards are granted by the ultimate parent. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is due only to share prices not achieving the threshold for vesting.

Revenue

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods and services supplied, stated net of retrospective rebate agreements and value added taxes. The Company recognises revenue when performance obligations have been satisfied and for the Company this is when the goods have transferred to the customer and the customer has control of these.

The Company's revenue is primarily derived from the sale of goods as detailed below.

The Company sells and distributes food and non-food products to the catering trade. Sales are recognised when the control of the products has transferred, being when the products are delivered to the customer and there is no unfulfilled performance obligation that could affect the customer's acceptance of the products.

The products are often sold with retrospective volume rebates based on the contracts in place with the customers Accumulated experience is used to estimate and provide for the discounts. The volume discounts can be estimated with a reasonable level of certainty and as such the Company's contracts do not involve significant judgment.

A retrospective rebate liability is recognised and netted off against trade and other receivables for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are not made with extended credit terms, which is consistent with market practice.

Rebates

Supplier rebates are based on a mixture of purchase volumes and values, as agreed with the respective suppliers. The rebates can be estimated with a reasonable level of certainty and involve a minimal level of judgement. Arising rebate income streams are recognised in a prudent manner in the Statement of comprehensive income, are netted against cost of sales, as appropriate, and are regularly reviewed for completeness and accuracy.

Other operating income

Government grants relating to the costs incurred by the Company are recognised in the Statement of comprehensive income over the period necessary to match them with costs that they are intended to compensate. Government grants are presented separately and disclosed in Other operating income in the Statement of comprehensive income.

Other operating income solely consists of the UK Government assistance provided through Coronavirus Job Retention Scheme during the Covid-19 pandemic.

Net financing costs

Net finance costs comprise interest payable, finance charges on lease liabilities, interest receivable on funds invested, dividend income and foreign exchange gains and losses that are recognised in the income statement.

Finance income and expenses are recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Taxation

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

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

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

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the assets and liabilities relate to taxes that are levied within the same jurisdiction.

2 Adoption of IFRS 16

IFRS 16 Leases was adopted by the Company on 1 July 2019 and the modified retrospective approach was applied on transition. Under the modified retrospective approach, a lessee does not restate the comparative figures; instead the Company applies the new standard from the beginning of the current year.

The incremental borrowing rate was calculated using the average property yield of freehold property held adjusted for factors such as lease term and credit rating.

When applying IFRS 16 Leases, the Company has applied the following practical expedients;

- Reliance on the previous identification of a lease (as provided by IAS 17) for all contracts that existed on the date of initial application
- Reliance on previous assessments on whether leases are onerous instead of performing an impairment review
- Exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application
- The accounting for operating leases with a remaining lease term of less than 12 months as short-term leases
- The use of hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.
- The whole contract (lease component and non-lease component) are treated as one lease contract.

The cumulative effect of adopting IFRS 16 Leases, comprising the recognition of the right-of-use asset of £99,503,000 (see note 16 to the financial statements), release of creditors and prepayments relating to rental payments of £6,657,000, creating a lease liability of £112,654,000 (see note 26), and an adjustment to the opening balance of retained earnings at 1 July 2019 of £19,808,000 (see the Statement of Changes in Equity). A deferred tax asset has been recognised in respect of the adoption of £3,367,000 (see note 25) with a corresponding adjustment to the opening balance of retained earnings at 1 July 2019 (see the Statement of Changes in Equity).

Notes to the financial statements *(continued)*

3 Accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas where estimates and judgements have been made are detailed below:

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill is tested for impairment annually and at other times when such indicators exist. Other non-financial assets, such as investments in subsidiaries, are tested for impairment when there are indicators that the carrying value may not be recoverable.

When value in use calculations are undertaken, the Company must estimate the expected future cash flows from the asset or cash generating unit, including suitable sales growth, and choose a suitable discount rate in order to calculate the present value of those cash flows. The future cash flows are derived using the most recent budgets and business plans and using a pre-tax discount rate of 6.5% and real growth rate of 1%.

Trade and other receivables

The Company makes an estimate of the recoverable value of trade and other receivables using the Expected Credit Loss model in accordance with IFRS 9. When assessing impairment of trade and other receivables, management considers factors including the type of customer, current credit rating of the debtor, the ageing profile of debtors and historical experience.

Provisions

Liabilities are recorded for various provisions including restructuring, self insurance and dilapidation provisions in the normal course of the business. The provisions are based on the Company's best estimate of the probability and measurement of the loss incurred. The Company has used estimates based on its own expertise and experience, and third parties in relation to assessing the carrying values of provisions. Where practical management have used an expert to form the provision.

Notes to the financial statements *(continued)*

4 Revenue

Analysis of revenue by geographic area:	2021 £000	2020 £000
United Kingdom *(continuing operations 2020 £1,312,726)*	**1,033,618**	2,154,224
Europe *(continuing operations 2020 £4,291)*	**3,109**	25,813
Rest of World *(continuing operations 2020 £64)*	**32**	4,681
	1,036,759	2,184,718

All values in italicised brackets above are in £000's

5 Other operating income

	2021 £000	2020 £000
UK Government Job Retention Scheme funding *(continuing operations 2020 £6,290)*	**8,544**	6,290
	8,544	6,290

All values in italicised brackets above are in £000's

6 Operating profit/(loss) before exceptional items

Operating profit/(loss) before exceptional items is stated after charging:	2021 £000	2020 £000
Property, plant and equipment – depreciation on:		
Owned assets *(continuing operations 2020 £3,915)*	**3,684**	3,915
Leasehold assets *(continuing operations 2020 £3,953)*	**3,966**	3,953
Property, plant and equipment – impairment on:		
Owned assets *(continuing operations 2020 £627)*	**272**	7,138
Leasehold assets *(continuing operations 2020 £156)*	**30**	156
Right of use assets – depreciation *(continuing operations 2020 £10,120)*	**9,893**	14,650
Right of use assets – impairment *(continuing operations 2020 £875)*	**310**	27,758
Intangible assets - amortisation:		
Software *(continuing operations 2020 £1,582)*	**1,796**	1,582
Intangible assets – impairment:		
Software *(continuing operations 2020 £389)*	**1,057**	389
Operating lease and hire charges:		
Land and buildings *(continuing operations 2020 £1,400)*	**18**	1,712
Other *(continuing operations 2020 £1,115)*	**1,697**	3,362
Impairment of trade receivables	**2,219**	6,687
Loss on disposal of plant & equipment *(continuing operations 2020 £422)*	**57**	422
Loss on disposal of right of use assets	**38**	-
Foreign exchange losses *(continuing operations 2020 £11)*	**-**	36

All values in italicised brackets above are in £000's

Auditors' remuneration charged to statement of comprehensive income		
Audit of these financial statements	**225**	229
Non Audit Fees:		
Corporate finance services	**-**	214
Taxation compliance services	**-**	8
Other services	**-**	8

Notes to the financial statements *(continued)*

7 Exceptional (income)/costs

	2021 £000	2020 £000
Exceptional (income)/costs :		
Continuing:		
Provision releases for discontinued operations	(4,413)	-
Restructuring (releases)/charges	(1,000)	10,124
Legal disputes	1,842	939
Right of use assets impairment	-	407
	(3,571)	11,470
Inter group loan provisions	2,938	6,000
	(633)	17,470
Discontinued:		
Costs incurred on disposal of the Best Food Logistics trading division:		
Legal and professional costs re disposal of the Best Food Logistics trading division	-	2,682
Property, plant and equipment impairment	-	6,511
Net gain on release of right of use liabilities/assets	-	(5,946)
Other Sale costs	-	877
Loss on sale division (note 28)	-	973
	-	5,097
Total exceptional expenditure	(633)	22,567

Continuing operations:

- The Company held provisions in relation to the sale of Best Food Logistics; these have been released to the income statement as they become legally extinguished.
- Due to the impact of Covid-19 pandemic, the Company took the difficult decision, in the prior year to accelerate long term restructuring plans, resulting in a number of redundancies being announced and some non-core operations ceasing. During the current year the Company negotiated the early termination of a lease in respect to exited non-core site and as such provisions relating to this site have been released back to the income statement.
- The Company has on-going legal cases for which provisions have been made based on the most likely outcome.
- Right of Use assets leased in respect of the ceased non-core operations have been impaired.
- Inter group receivables were reviewed for recoverability at the financial year end, based on the companies' actual and budgeted trading performance and therefore ability to pay the debt. Given the size and non trading nature this has been classified as an exceptional item.

Discontinued operations:

In the prior year a number of completion costs have been recognised on the sale of Best Food Logistics:

- Legal and professional costs relate to advisors and legal counsel utilised throughout the sale process.
- Property, plant and equipment impaired to its realisable value prior to the sale.
- Right of use assets and liabilities written off upon sale.
- Other sale costs relate to additional liabilities recognised by the purchaser as part of the completion process.
- The final loss on sale is reconciled in note 28.

Notes to the financial statements *(continued)*

8 Directors' remuneration

	2021 £000	2020 £000
Remuneration	**1,230**	1,673
Share based payment	**399**	464
Company contributions to money purchase pension scheme	**16**	33
	1,645	2,170
Remuneration includes:		
Highest paid Director	**627**	508

	Number of Directors 2021	Number of Directors 2020
Retirement benefits were accruing to the following number of Directors who served during the year under:		
Money purchase schemes	**2**	3
The number of Directors who served during the year and who exercised share options in Bidcorp, including the highest paid director, was	**5**	6

Company pension contributions of £Nil *(2020: £15,000)* were made to a money purchase scheme on behalf of the highest paid Director. At the end of the year, 2 Directors *(2020: 3)* were accruing retirement benefits under a money purchase scheme. 2 of the Directors *(2020: 2)* receive their remuneration from other group companies.

9 Staff numbers and costs

The average monthly number of persons employed by the Company during the year, including discontinued operations, analysed by category, was as follows:

	Number of employees 2021	Number of employees 2020
Management	**771**	1,088
Distribution	**1,407**	2,647
Sales	**586**	742
	2,764	4,477

The aggregate employment costs during the year, were as follows:

	2021 £000	2020 £000
Wages and salaries	**88,817**	141,141
Social security costs	**9,456**	14,483
Other pension costs (see note 24)	**3,439**	5,102
	101,712	160,726

Notes to the financial statements *(continued)*

10 Income from shares in group undertakings

	2021 £000	2020 £000
Dividends received	-	1,550
	-	1,550

11 Finance income

	2021 £000	2020 £000
Interest income	-	20
	-	20

12 Finance expenses

	2021 £000	2020 £000
Group interest	911	418
Bank interest	72	121
Unwinding of discount on dilapidation provisions - see note 24	236	368
Lease interest – see note 26	4,539	6,369
Other interest	184	101
	5,942	7,377

Notes to the financial statements *(continued)*

13 Tax on profit/(loss)

a) Recognised in the statement of comprehensive income:

	2021		2020	
	£000	**£000**	£000	£000
Current year	**3,799**		8,171	
Adjustments for prior years	**(1,348)**		(89)	
Total current tax		**2,451**		8,082
Origination and reversal of temporary differences	**1,340**		(892)	
Adjustments for prior years	**2,274**		(351)	
Change in rate	**810**		(169)	
Total deferred tax charge/(credit) (note 25)		**4,424**		(1,412)
Total tax in the statement of comprehensive income		**6,875**		6,670

b) Reconciliation of effective tax rate

	2021	2020
	£000	£000
Profit before taxation	**20,411**	29,678
Tax using the UK corporation tax rate of 19.0% *(2020:19.0%)*	**3,878**	5,639
Non-deductible expenditure	**1,510**	2,060
Non-taxable income	**(249)**	(336)
Adjustment in respect of prior years	**926**	(440)
Change in tax rate	**810**	(84)
Other temporary differences	**-**	(169)
Total tax in the statement of comprehensive income	**6,875**	6,670

A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020.
From 1 April 2023 a rate of 25% will be chargeable on the Company's profits. The deferred tax liability at 30 June 2020 has been calculated at 25% (2020: 19 %).

14 Dividends

	2021	2020
	£000	£000
2020 Interim – paid at 10.88p per share	-	32,650

No final dividend has been proposed in respect of 2021 *(2020: £Nil)*.

Notes to the financial statements *(continued)*

15 Property, plant and equipment

	Land and freehold properties £000	Long leasehold improvements £000	Short leasehold improvements £000	Plant machinery and vehicles £000	Assets under Construction "AUC" £000	Total £000
Cost						
Balance at 1 July 2020	37,151	62,009	3,105	51,008	7,851	161,124
Additions	186	473	-	1,620	5,764	8,043
AUC capitalisations	748	-	-	1,512	(2,260)	-
Disposals	-	(798)	-	(3,537)	-	(4,335)
Balance at 30 June 2021	**38,085**	**61,684**	**3,105**	**50,603**	**11,355**	**164,832**
Accumulated depreciation						
Balance at 1 July 2020	8,781	26,637	751	33,443	-	69,612
Charge for year	112	3,766	200	3,572	-	7,650
Impairment	-	30	-	272	-	302
Disposals	-	(767)	-	(3,537)	-	(4,304)
Balance at 30 June 2021	**8,893**	**29,666**	**951**	**33,750**	**-**	**73,260**
Net book value						
At 30 June 2020	28,370	35,372	2,354	17,565	7,851	91,512
At 30 June 2021	**29,192**	**32,018**	**2,154**	**16,853**	**11,355**	**91,572**

Notes to the financial statements *(continued)*

16 Right of use assets

	Leasehold Properties £000	Plant & Machinery £000	Motor Vehicles £000	Total £000
Cost				
Balance at 1 July 2020	68,175	960	16,700	85,835
Additions	490	-	192	682
Disposals	(174)	(298)	(134)	(606)
Balance at 30 June 2021	**68,491**	**662**	**16,758**	**85,911**
Accumulated depreciation				
Balance at 1 July 2020	9,443	319	4,108	13,870
Charge for year	6,219	190	3,484	9,893
Impairment	130	170	10	310
Disposals	(174)	(298)	(134)	(606)
Balance at 30 June 2021	**15,618**	**381**	**7,468**	**23,467**
Net book value				
At 30 June 2020	58,732	641	12,592	71,965
At 30 June 2021	**52,873**	**281**	**9,290**	**62,444**

Notes to the financial statements *(continued)*

17 Intangible assets

	IT software £000	IT software work in progress £000	Goodwill £000	Total £000
Cost				
Balance at 1 July 2020	16,031	2,790	26,021	44,842
Additions	528	1,852	-	2,380
Reclassifications	1,076	(1,076)	-	-
Disposals	(349)	-	-	(349)
Balance at 30 June 2021	**17,286**	**3,566**	**26,021**	**46,873**
Accumulated amortisation				
Balance at 1 July 2020	7,041	-	23,127	30,168
Charge for year	1,796	-	-	1,796
Impairment	1,057	-	-	1,057
Disposals	(349)	-	-	(349)
Balance at 30 June 2021	**9,545**	**-**	**23,127**	**32,672**
Net book value				
At 30 June 2020	8,990	2,790	2,894	14,674
At 30 June 2021	**7,741**	**3,566**	**2,894**	**14,201**

Impairment Review:

Goodwill arose on the acquisition of the trade and assets of Swithenbank Foods Limited & Wilson Watson Limited in 2004, and the Inverness Farmers and Forteith's trading divisions of 3663 Alba Limited in 2013 and 2016 respectively. As the cash flows of the businesses are not independent from the cash flows of the rest of the Company the Cash Generating Unit (CGU) for the testing of goodwill is the entire Company. The recoverable amount is based on the value in use, which is determined by discounting the future cash flows based on approved budgets for the next three years using a post-tax discount rate of 6.5% and a real growth rate of 1%. The pre-tax discount rate of 6.5% is based on an estimate of the weighted average cost of capital. There is significant headroom on this basis and after adjusting for reasonably possible scenarios.

Over the last few years the Company has in-sourced the majority of its IT solutions. As part of this, a number of solutions were no longer required or were replaced and, therefore, an impairment of £1,057,000 *(2020: £389,000)* has been incurred in the current financial year in respect of continuing operations.

Notes to the financial statements *(continued)*

18 Investments

	Shares in subsidiary undertakings £000
At 1 July 2019	59,997
Additions	6,569
At 30 June 2020 & 1 July 2020	66,566
Additions	28,291
Disposals	(16,389)
At 30 June 2021	**78,468**

On 01 July 2020 the Company acquired Bidfresh Holdings Limited from its immediate parent Bidcorp (UK) Limited for £28,291,000.

On 01 July 2020 the Company transferred its shareholding in its subsidiaries South Lincs Foodservice Limited and Elite Frozen Foods Limited to another subsidiary Caterfood Holdings Limited for 16,389,000.

The Company directly or indirectly holds share capital and voting rights in the following companies;

Subsidiary undertakings	**Holding**	**Registered Office**	**Principal activity**
Bidcorp Developments Limited	100% holding	814 Leigh Road, SL1 4BD	Property development
Bidcorp Property Limited	100% holding	814 Leigh Road, SL1 4BD	Property management
South Lincs Foodservice Limited	100% holding	814 Leigh Road, SL1 4BD	Trading company
3663 Transport Limited	100% holding	814 Leigh Road, SL1 4BD	Trading company
PCL Transport 24/7 Limited	100% holding	814 Leigh Road, SL1 4BD	Trading company
Caterfood Holdings Limited	100% holding	814 Leigh Road, SL1 4BD	Holding company
Caterfood (South West) Limited	100% holding	814 Leigh Road, SL1 4BD	Trading company
Quality Cuisine (South West) Limited	100% holding	814 Leigh Road, SL1 4BD	Trading company
Yarde Farm Limited	100% holding	814 Leigh Road, SL1 4BD	Trading company
Motec (SW) Limited	100% holding	814 Leigh Road, SL1 4BD	Trading company
Bidcorp Manufacturing Limited	100% holding	814 Leigh Road, SL1 4BD	Holding company
Texmod Holdings Limited	90% holding	814 Leigh Road, SL1 4BD	Holding company
Simply Food Solutions Limited	90% holding	814 Leigh Road, SL1 4BD	Trading company
The Punjab Kitchen Limited	90% holding	814 Leigh Road, SL1 4BD	Dormant company
Simply A LA Carte Limited	90% holding	814 Leigh Road, SL1 4BD	Dormant company
Simplypuree.com Limited	90% holding	814 Leigh Road, SL1 4BD	Dormant company
Anglo Frozen Foods Limited	90% holding	814 Leigh Road, SL1 4BD	Dormant company
Snowdon & Bridge Limited	100% holding	Unit 5 Crowland, PR9 7RL	Trading company
Best Food Logistics France	100% holding	95 Rue la Boetie, Paris	Trading Company
Elite Fine Foods Limited	100% holding	814 Leigh Road, SL1 4BD	Trading company
Elite Frozen Foods Limited	100% holding	814 Leigh Road, SL1 4BD	Dormant company
The Barton Meat Company Limited	100% holding	814 Leigh Road, SL1 4BD	Trading company
Cimandis Limited	100% holding	3 L'Avenue Le Bas, JE4 8NB	Trading company
M G S Management Services Limited	100% holding	814 Leigh Road, SL1 4BD	Dormant company
Chef's Trolley Limited	100% holding	Unit 5 Crowland, PR9 7RL	Dormant company
Churchill's Fine Foods Limited	100% holding	814 Leigh Road, SL1 4BD	Dormant company
Boston Coffee Company Limited	100% holding	814 Leigh Road, SL1 4BD	Dormant company
Childhay Manor Ice Cream Limited	100% holding	814 Leigh Road, SL1 4BD	Dormant company
Beanice Limited	100% holding	814 Leigh Road, SL1 4BD	Trading company
Catering2you Limited	100% holding	814 Leigh Road, SL1 4BD	Trading company
Bidfresh Holdings Limited	100% holding	10-14 Cedar Way, N1C 4PD	Trading company
Bidfresh Limited	100% holding	10-14 Cedar Way, N1C 4PD	Trading company
County Farm Butchers Limited	100% holding	Unit 4 Sherwood, EH19 3LW	Trading company
Campbell Brothers Limited	100% holding	Unit 4 Sherwood, EH19 3LW	Trading company

Notes to the financial statements *(continued)*

18 Investments (continued)

Subsidiary undertakings	Holding	Registered Office	Principal activity
The London Fine Meat Company Limited	100% holding	10-14 Cedar Way, N1C 4PD	Dormant company
Oliver Kay Holdings Limited	100% holding	10-14 Cedar Way, N1C 4PD	Dormant company
Swithenbank Fresh Limited	100% holding	10-14 Cedar Way, N1C 4PD	Dormant company
Campbell Brothers Fish Company Limited	100% holding	Unit 4 Sherwood, EH19 3LW	Dormant company
Campbell Brothers Produce Limited	100% holding	Unit 4 Sherwood, EH19 3LW	Dormant company
The Rustic Cheese Company Limited	100% holding	10-14 Cedar Way, N1C 4PD	Dormant company
Henson Foods Limited	100% holding	10-14 Cedar Way, N1C 4PD	Dormant company
Knight Meats Limited	100% holding	10-14 Cedar Way, N1C 4PD	Dormant company
Oliver Kay Limited	100% holding	10-14 Cedar Way, N1C 4PD	Dormant company
Wyn Lee Holdings Limited	100% holding	10-14 Cedar Way, N1C 4PD	Dormant company
Wynne-Williams (Flint) Limited	100% holding	10-14 Cedar Way, N1C 4PD	Dormant company
R Noone & Son Limited	100% holding	10-14 Cedar Way, N1C 4PD	Dormant company
Hensons Famous Salt Beef Limited	100% holding	10-14 Cedar Way, N1C 4PD	Dormant company
Fresh Food Hub Limited	100% holding	10-14 Cedar Way, N1C 4PD	Dormant company
Southbank Fresh Fish Limited	100% holding	10-14 Cedar Way, N1C 4PD	Dormant company
Daily Fish Supplies Limited	100% holding	10-14 Cedar Way, N1C 4PD	Dormant company
Direct Seafoods Limited	100% holding	10-14 Cedar Way, N1C 4PD	Dormant company
Direct Seafoods Scotland Limited	100% holding	10-14 Cedar Way, N1C 4PD	Dormant company
Mckenna Fish Sales Limited	100% holding	Unit 30 Milenium, D11 D FW2	Dormant company
Hanlon's Smokehouse Dublin Limited	100% holding	Unit 30 Milenium, D11 D FW2	Dormant company
Murrays Fresh Fish Limited	100% holding	10-14 Cedar Way, N1C 4PD	Dormant company
Taylor Foods Limited	100% holding	10-14 Cedar Way, N1C 4PD	Dormant company
Kingfisher (Brixham) Limited	100% holding	10-14 Cedar Way, N1C 4PD	Dormant company
C&G Neve Limited	100% holding	10-14 Cedar Way, N1C 4PD	Dormant company

Associate undertakings	Holding	Class of shares held	Principal activity
HGVH Limited	20% holding	£1 Ordinary	Software development

HGVH Limited, which trades under the name of Computer Systems for Distribution (CSD). CSD are a business partner of the Company and undertake software development and maintenance for the Company. HGVH Limited's registered office is Lower Ground, Rickyard Barn, Pury Hill Business Park, Alderton, Towcester, Northamptonshire NN12 7LS.

Notes to the financial statements *(continued)*

19 Stocks

	2021 £000	2020 £000
Raw materials and consumables	**299**	28
Goods for resale	**69,863**	63,753
	70,162	63,781

The net cost of raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £784,739,000 *(2020: £1,761,344,000)*.

20 Trade and other receivables

	2021 £000	2020 £000
Trade debtors	**125,844**	70,708
Other debtors, prepayments and accrued income	**7,113**	6,126
Corporation tax receivable	**3,265**	-
Other debtors due from subsidiary undertakings	**77,347**	47,088
Other debtors due from fellow subsidiary undertakings	**47**	47
Other debtors due from other group undertakings	**16**	3,827
	213,632	127,796

All amounts due from group companies are interest free, unsecured and have no fixed terms of repayment.

Trade debtors are stated after provisions for impairments of £5,125,000 *(2020: £7,210,000)*.

Notes to the financial statements *(continued)*

21 Loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings.

	2021 £000	2020 £000
Current liabilities		
Current portion of lease liabilities (see note 26)	**9,592**	9,593
Amounts owed to immediate parent company	**20,000**	20,000
	29,592	29,593
Non-current liabilities		
Lease liabilities (see note 26)	**60,491**	69,674
Other borrowings	**-**	-
Amounts owed to immediate parent company	**51,523**	31,500
	112,014	101,174

Amounts due to immediate parent companies

The amount owed to the immediate parent company is unsecured and incurs interest at the following rates:

	2021 £000	2020 £000
At 3.15% above HSBC Bank plc base rate	**20,000**	20,000
At 1.5% above HSBC Bank plc base rate	**10,228**	10,228
At HSBC Bank plc base rate	**21,295**	21,272
At 2.5% above HSBC Bank plc base rate	**20,000**	-
	71,523	51,500

Notes to the financial statements *(continued)*

22 Trade and other creditors

	2021 £000	2020 £000
Trade payables	**151,472**	96,683
Other taxation and social security	**8,914**	7,736
Accruals and deferred income	**29,170**	33,019
Corporation tax	**-**	2,016
Amounts owed to intermediate parent company	**-**	78
Amounts owed to immediate parent company	**47,781**	19,259
Amounts owed to subsidiary companies	**35,974**	32,186
Amounts owed to fellow subsidiary companies	**13,600**	13,600
	286,911	204,577

Amounts due to group companies are interest free, unsecured and have no fixed terms of repayment.

23 Employee benefits

Pension scheme

The pension cost for the year represents contributions payable by the Company to a third party defined contribution scheme for which the assets are managed separately from the Company. The costs amounted to £3,458,000 *(2020: £5,102,000)* and contributions amounting to £797,000 *(2020: £577,000)* were payable to the scheme at the year end.

Notes to the financial statements *(continued)*

24 Provisions for liabilities

	Legal	Restructuring	Self Insurance	Dilapidations	Total
	£000	£000	£000	£000	£000
2020					
At beginning of year	-	3,421	5,804	11,658	20,883
Charged to income statement	-	10,123	-	-	10,123
Discount unwind (see note 12)	-	-	-	368	368
Transfers	-	355	-	(355)	-
Transfer from subsidiary company	-	3,084	-	-	3,084
Utilised	-	(2,139)	(775)	(5,762)	(8,676)
At end of year	-	14,844	5,029	5,909	25,782
2021					
At beginning of year	-	14,844	5,029	5,909	25,782
Charged/(credited) to income statement	750	(1,000)	98	-	(152)
Transferred from subsidiary company	-	-	1,914	-	1,914
Discount unwind (see note 12)	-	-	-	236	236
Utilised	(154)	(8,665)	(1,733)	(46)	(10,598)
At end of year	596	5,179	5,308	6,099	17,182
Current	596	2,344	2,407	36	5,383
Non-current	-	2,835	2,901	6,063	11,799
At end of year	596	5,179	5,308	6,099	17,182

The Company has on-going legal cases for which provisions have been made based on the most likely outcome.

The restructuring provision relates to changes in both depot infrastructure and redundancy costs. For redundancy costs, a formal announcement has occurred and employees affected are aware they are at risk. Management's best estimates have been used in forming these provisions based on past experience, known facts and most likely outcomes. Changes in depot infrastructure are as a result of exiting depots as they either are not economically efficient or are non-core to the Company's operations. The provision will be utilised over the next 4 years.

The provision for self insurance relates to the programmes the Company operates for certain classes of insurance, whereby the Company bears the cost of all claims up to an agreed aggregate limit. There is a degree of uncertainty as to when the claims will be settled and for how much and the provision is therefore calculated using management's expertise and experience together with best estimates of liabilities arising, using claims history and details of pending claims supplied by the insurance providers.

The provision for dilapidations relates to amounts payable at lease expiry on certain leased properties which are occupied by the Company. Lease expiry dates range from 2021 to 2031. The provisions have been estimated by management, based on advice provided by the Company's property management agents. Unwinding discount is applied at the rate of 4.0% per annum, on each property, based on the opening provision balance at the start of each financial year, through to the point of lease exit or the financial year end.

Notes to the financial statements *(continued)*

25 Deferred tax

Recognised deferred tax assets and liabilities

Deferred tax (asset)/liabilities are attributable to the following:

	2021 £000	2020 £000
Liabilities *-property, plant and equipment:*		
Opening balance	3,848	4,522
Recognised in the Statement of comprehensive income	4,119	(674)
At end of the year	**7,967**	3,848
(Assets) *- provisions and IFRS16 transition adjustment:*		
Opening balance	(5,528)	(1,423)
On transition to IFRS 16	-	(3,367)
Recognised in the Statement of comprehensive income	305	(738)
At end of the year	**(5,223)**	(5,528)
Net (assets)/liabilities		
Opening balance	(1,680)	3,099
On transition to IFRS 16	-	(3,367)
Recognised in the Statement of comprehensive income	4,424	(1,412)
At end of the year	**2,744**	(1,680)

Deferred tax assets are recognised on the basis that the Company will continue to make taxable trading profits in the future. There are no unused tax losses or unused tax credits.

26 Lease Liability

IFRS 16 Leases was adopted by the Company on 1 July 2019;

	1 July 2019 £000	**Additions** £000	**Inter Group Transfers** £000	**Interest (Note 12)** £000	**Capital repaid** £000	**Disposals** £000	**30 June 2020** **£000**
Leasehold Property	77,804	4,639	3,168	4,661	(11,675)	(14,623)	**63,974**
Plant & Machinery	1,369	573	790	83	(447)	(1,599)	**769**
Motor Vehicles	33,481	3,972	-	1,625	(7,478)	(17,076)	**14,524**
	112,654	9,184	3,958	6,369	(19,600)	(33,298)	**79,267**

Notes to the financial statements *(continued)*

26 Lease Liability (continued)

	1 July 2020	Additions	Interest (Note 12)	Capital repaid	Disposals	30 June 2021
	£000	£000	£000	£000	£000	**£000**
Leasehold Property	63,974	490	3,741	(9,604)	(155)	**58,446**
Plant & Machinery	769	-	23	(132)	(104)	**556**
Motor Vehicles	14,524	192	775	(4,397)	(13)	**11,081**
	79,267	682	4,539	(14,133)	(272)	**70,083**

Interest is charged at the Company's incremental borrowing rate which is deemed to be 6%.

The actual cash flows of the lease repayment are as follows;

	Within 1 Year	2 – 5 years	Greater than 5 Years	Future cashflows included for renewal periods	Future interest component	Total
	£000	£000	£000	£000	£000	**£000**
Leasehold Property	8,714	30,164	24,316	17,739	(22,487)	**58,446**
Plant & Machinery	379	400	-	-	(223)	**556**
Motor Vehicles	4,116	7,849	38	-	(922)	**11,081**
	13,209	38,413	24,354	17,739	(23,632)	**70,083**

Notes to the financial statements *(continued)*

27 Called up share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
300,000,000 *(2020:300,000,000)* ordinary shares of 10p each	**30,000**	30,000

28 Disposal of Business

In October 2019, Bidcorp entered into a contract for the disposal of its Best Food Logistics business and the sale completed on 7th March 2020. The Best Foods activities operate in the QSR contract logistics market and are non-core to the ultimate parent company Bid Corporation Limited. The Statement of comprehensive income has been drawn up to show the split between continuing and discontinued operations.

The loss on disposal reconciles as follows:

	7 March 2020 £000
Property, plant and equipment	14,318
Intangible assets	430
Stocks	30,237
Trade and other receivables	79,366
Cash at bank	3
Total assets	124,354
Bank overdraft	-
Trade and other payables	(126,626)
Loans and borrowings	(5,175)
Provisions	(5,098)
Total liabilities	(136,899)
Total net liabilities	**(12,545)**
Sale cost paid on completion	**13,518**
Loss on disposal (see note 7)	**973**

Notes to the financial statements *(continued)*

29 Contingent liabilities

The Company has given a guarantee in respect of an earn out option in a subsidiary company Texmod Holdings Limited, the fair value is £1,350,000 *(2020: £1,350,000)*. The option is contingent on the trading performance of another subsidiary Simply Food Solutions Limited.

30 Capital commitments

Capital commitments authorised as at 30 June 2021 for which contracts are in place but have not been provided for in these financial statements, amounted to £5,750,000 *(2020: £11,100,000)*.

31 Ultimate holding company

The immediate parent company of the Company is Bidcorp (UK) Limited, a company incorporated in England and Wales.

The ultimate holding company of BFS Group Limited is Bid Corporation Limited, a Company incorporated in South Africa. The largest group in which the results of the company are consolidated is that headed by that company.

Copies of the financial statements of Bid Corporation Limited are available upon application to the Company Secretary at the registered address of the company: Postnet Suite 136, Private Bag X9976, Johannesburg, 2146 South Africa or from the website www.bidcorpgroup.com.