

UREN FOOD GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Company Registration No. 00517333 (England and Wales)

UREN FOOD GROUP LIMITED

COMPANY INFORMATION

Directors	Mr I R Stewart Mr J L Wood Mr R J Laird Mr P M Jones Mr P N Barratt
Company number	00517333
Registered office	Wood Park Chester High Road Neston CH64 7TB
Auditor	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL

UREN FOOD GROUP LIMITED

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UREN FOOD GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present the strategic report for the year ended 31 March 2022.

Principal activities

The principal activity of the company and group continued to be that of processors and distributors of conventional, organic and fair trade food ingredients.

Business Review and results

The profit before tax for the group and its share of its associated company profits was £1,208,000 (2021: £1,382,000).

The group recorded sales of £81,205,000 (2021: £77,593,000). This strong growth arose from large increases in sales in the United States, our Chilean subsidiary Berries Chile and domestically primarily from our peanut division.

In the UK, sales in most divisions performed well. although the large rise in supply chain costs in the latter half of the year negatively impacted profitability.

Berries Chile continues to develop its retail customer portfolio on the back of ongoing capital investment and made another strong contribution to the group result.

Uren North America also performed strongly with sales of European fruit to the US increasing markedly in the year.

In Poland, our associate company Uren Novaberry saw an improved profit performance despite challenging market conditions.

The geographical diversity of the Group's customer and supplier base, and the strength of the Group balance sheet mean that it is well positioned to adapt to the changing economic environment. As all importers in the UK, we have seen disruption at UK ports and in addition international shipping costs rose sharply during the year.

Principal risks and uncertainties

Key performance indicators

Key performance indicators include turnover, cost of goods sold as a percentage of sales, and total borrowing levels.

	2022	2021
Revenue (£000)	81,205	77,593
Cost of sales (£000)	75,367	71,482
Cost of sales as percentage of revenue (%)	92.8	92.1
Group borrowing (net debt) (£000)	12,008	10,651

Group revenues rose 4.7%, due to strong performances in the UK, USA and our Chilean subsidiary. Cost of sales has as a % of sales has remained in line with prior year.

The group's borrowings increased primarily due to the increased working capital requirement associated with the increase in revenue. However, we have remained comfortably within our existing banking facilities.

UREN FOOD GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Section 172 statement

The board of directors of Uren Food Group Limited consider, both individually and collectively, that they have acted in such a manner that they believe are in good faith to be the most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and other matters set out in s172(1) of the Act) in the decisions they made during the year ended 31 March 2022. When making these decisions, the board of directors seek to understand their impact on the wider stakeholders of the group and act in the interest of these stakeholders while also seeking to generate sustainable growth for the business.

Our employees are our most important asset and we aim to be a responsible employer in our approach to the pay and benefits they receive. Ensuring the health, safety and wellbeing of our employees is of the highest importance and one of the primary considerations in the manner in which we conduct business.

Caring for our customers is fundamental to the success of our business and we endeavour to serve them to the best of our ability. We are committed to ensuring that our products the quality, safety and value of our products as evidenced by our investment in our quality assurance team and in our BRC Agents and Brokers accreditation.

We also aim to act responsibly and fairly in our engagement with suppliers, regulators, insurers, charitable partners, governments and local authorities. All suppliers are paid in accordance with agreed terms.

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

On behalf of the board

Mr P M Jones

Director

21 December 2022

UREN FOOD GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities

This report contains the statutory information disclosed in addition to that set out in the strategic report. Information relating to the group and company's principal activity which would otherwise be included in the directors' report, is included in the strategic report.

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were declared amounting to £1,250,000 (2021: £1,400,000). The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr I R Stewart

Mr J L Wood

Mr R J Laird

Mr P M Jones

Mr P N Barratt

Future developments

The directors aim to maintain the management policies which have resulted in the group's development in recent years and to focus on initiatives which drive improved profitability.

The directors continue to assess the impact of the UK's decision to leave the EU to ensure the group remains competitive in both the UK and global markets.

The impact of the COVID-19 pandemic has been fully evaluated. Whilst there has been a change in sales mix, overall we have seen an increase in demand. With respect to employee welfare, we acted swiftly to ensure staff were able to work effectively and safely from home during lockdown periods and in consultation with our health and safety advisers have implemented a range of measures to ensure those staff who are required to attend the work place can do so safely.

Auditor

In February 2022 Grant Thornton resigned as auditors and DSG were appointed in their place. In accordance with the company's articles, a resolution proposing that DSG be reappointed as auditor of the company will be put at a General Meeting

Energy and carbon report

The immediate parent undertaking of the company, Wood Park Foods Limited, has prepared reporting as required under the streamlined energy and carbon reporting guidelines. As Uren Food Group Limited are included within the data presented within the Group Report of Wood Park Foods Limited, the exemption has been taken not to present such information within these financial statements under the available subsidiary exemption.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

UREN FOOD GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Principal risks and uncertainties

The Company and group use financial instruments, including loans, cash, equity investments and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's and group's operations.

The existence of these financial instruments exposes the Company and group to a number of financial risks, which are described in more detail below. In order to manage the Company's and group's exposure to these risks, in particular the exposure to currency risk, the Company and group enter into forward foreign currency contracts.

Currency risk – The group is exposed to translation and transaction foreign currency risk. In relation to translation risk, as far as possible the assets held in the foreign currency are matched to an appropriate level of borrowings in the same currency. Transaction exposures, including those associated with forecast transactions, are hedged when known, principally using forward currency contracts.

Liquidity risk – the Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs.

Interest risk – The group finances its operations through a mixture of retained profits and bank borrowings. The only interest bearing liabilities are bank borrowings at a variable rate.

On behalf of the board

Mr P M Jones
Director

21 December 2022

UREN FOOD GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

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

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

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

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

UREN FOOD GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF UREN FOOD GROUP LIMITED

Opinion

We have audited the financial statements of Uren Food Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent 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.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

UREN FOOD GROUP LIMITED

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the company and therefore may have a material effect on the financial statements include compliance with food safety laws, packaging regulations, health and safety legislation and General Data Protection requirements.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

UREN FOOD GROUP LIMITED

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

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Laura Leslie BSc ACA (Senior Statutory Auditor)
For and on behalf of DSG

21 December 2022

Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

UREN FOOD GROUP LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £'000	2021 £'000
Turnover	3	81,205	77,593
Cost of sales		(75,367)	(71,482)
Gross profit		5,838	6,111
Administrative expenses		(4,600)	(4,687)
Operating profit	4	1,238	1,424
Share of profits of associates		216	89
Interest receivable and similar income	9	107	143
Interest payable and similar expenses	8	(353)	(274)
Profit before taxation		1,208	1,382
Tax on profit	10	(272)	(271)
Profit for the financial year		936	1,111

Profit for the financial year is all attributable to the owners of the parent company.

UREN FOOD GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£'000	£'000
Profit for the year	936	1,111
	<u> </u>	<u> </u>
Other comprehensive income		
Currency translation loss taken to retained earnings	(143)	(226)
Cash flow hedges gain/(loss) arising in the year	677	(818)
	<u> </u>	<u> </u>
Other comprehensive income for the year	534	(1,044)
	<u> </u>	<u> </u>
Total comprehensive income for the year	1,470	67
	<u> </u>	<u> </u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

UREN FOOD GROUP LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12		1,764		1,819
Investments	13		1,967		1,858
			<u>3,731</u>		<u>3,677</u>
Current assets					
Stocks	16	10,581		12,734	
Debtors	17	22,639		16,404	
Cash at bank and in hand		833		688	
		<u>34,053</u>		<u>29,826</u>	
Creditors: amounts falling due within one year	18	(24,506)		(19,902)	
		<u></u>		<u></u>	
Net current assets			9,547		9,924
Total assets less current liabilities			<u>13,278</u>		<u>13,601</u>
Creditors: amounts falling due after more than one year	19		(182)		(742)
Provisions for liabilities					
Deferred tax liability	22	18	(18)	-	-
		<u></u>	<u></u>	<u></u>	<u></u>
Net assets			<u>13,078</u>		<u>12,859</u>
Capital and reserves					
Called up share capital	24		5		5
Hedging reserve	24		159		(518)
Other reserves			16		16
Profit and loss reserves			12,898		13,356
Total equity			<u>13,078</u>		<u>12,859</u>

The financial statements were approved by the board of directors and authorised for issue on 21 December 2022 and are signed on its behalf by:

Mr P M Jones
Director

UREN FOOD GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12		695		766
Investments	13		318		318
			<u>1,013</u>		<u>1,084</u>
Current assets					
Stocks	16	7,400		9,781	
Debtors	17	20,171		15,140	
Cash at bank and in hand		674		596	
		<u>28,245</u>		<u>25,517</u>	
Creditors: amounts falling due within one year	18	(18,519)		(15,683)	
Net current assets			<u>9,726</u>		<u>9,834</u>
Net assets			<u>10,739</u>		<u>10,918</u>
Capital and reserves					
Called up share capital	24		5		5
Hedging reserve	24		159		(518)
Other reserves			1		1
Profit and loss reserves			<u>10,574</u>		<u>11,430</u>
Total equity			<u>10,739</u>		<u>10,918</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £371,000 (2021: £733,000 profit).

The financial statements were approved by the board of directors and authorised for issue on 21 December 2022 and are signed on its behalf by:

Mr P M Jones
Director

Company Registration No. 00517333

UREN FOOD GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

		Share capital	Hedging reserve	Other reserves	Profit and loss reserves	Total
	Notes	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2020		5	300	16	13,871	14,192
Year ended 31 March 2021:						
Profit for the year		-	-	-	1,111	1,111
Other comprehensive income:						
Currency translation differences		-	-	-	(226)	(226)
Cash flow hedges losses arising in the year		-	(818)	-	-	(818)
Total comprehensive income for the year		-	(818)	-	885	67
Dividends	11	-	-	-	(1,400)	(1,400)
Balance at 31 March 2021		5	(518)	16	13,356	12,859
Year ended 31 March 2022:						
Profit for the year		-	-	-	936	936
Other comprehensive income:						
Currency translation differences		-	-	-	(143)	(143)
Cash flow hedges gains arising in the year		-	677	-	-	677
Total comprehensive income for the year		-	677	-	793	1,470
Dividends	11	-	-	-	(1,250)	(1,250)
Balance at 31 March 2022		5	159	16	12,898	13,078

UREN FOOD GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

		Share capital	Hedging reserve	Other reserves	Profit and loss reserves	Total
	Notes	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2020		5	300	1	12,097	12,403
Year ended 31 March 2021:						
Profit for the year		-	-	-	733	733
Other comprehensive income:						
Cash flow hedges gains arising in the year		-	(818)	-	-	(818)
Total comprehensive income for the year		-	(818)	-	733	(85)
Dividends	11	-	-	-	(1,400)	(1,400)
Balance at 31 March 2021		5	(518)	1	11,430	10,918
Year ended 31 March 2022:						
Profit for the year		-	-	-	394	394
Other comprehensive income:						
Cash flow hedges gains arising in the year		-	677	-	-	677
Total comprehensive income for the year		-	677	-	394	1,071
Dividends	11	-	-	-	(1,250)	(1,250)
Balance at 31 March 2022		5	159	1	10,574	10,739

UREN FOOD GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Cash generated from operations	29		711		782
Interest paid			(353)		(274)
Income taxes (paid)/refunded			(300)		150
Net cash inflow from operating activities			58		658
Investing activities					
Purchase of tangible fixed assets		(228)		(543)	
Proceeds from disposal of tangible fixed assets		1		-	
Loan to Wood Park Foods Limited		-		293	
Interest received		45		-	
Dividends received		62		80	
Net cash used in investing activities			(120)		(170)
Financing activities					
Proceeds from borrowings		-		674	
Movement in invoice discounting		768		(326)	
Movement in bank loans		733		-	
Payment of finance leases obligations		(44)		(113)	
Dividends paid to equity shareholders		(1,250)		(747)	
Net cash generated from/(used in) financing activities			207		(512)
Net increase/(decrease) in cash and cash equivalents			145		(24)
Cash and cash equivalents at beginning of year			688		712
Cash and cash equivalents at end of year			833		688

UREN FOOD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Uren Food Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Wood Park, Chester High Road, Neston, CH64 7TB.

The group consists of Uren Food Group Limited and all of its subsidiaries.

The principal activity of the group and company is set out in the strategic report.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Uren Food Group Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

UREN FOOD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Investments in associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in an associate equals or exceeds its investment in the associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Cashflow forecasts are prepared which show that the company and group, has sufficient reserves and can operate within their agreed banking facilities. As such, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

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

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

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line on buildings, 0% on land
Plant and equipment	8 - 20% reducing balance
Fixtures and fittings	15 - 50% reducing balance
Motor vehicles	20 - 40% reducing balance

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

1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries and associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

UREN FOOD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

1.7 Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

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

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

1.8 Stocks

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

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

UREN FOOD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

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

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

UREN FOOD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.11 Equity instruments

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

1.12 Taxation

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

Current tax

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

UREN FOOD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

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

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

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

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases and charged to the profit and loss.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The critical accounting policies where judgements or estimates are necessarily applied are detailed below.

Cashflow hedge effectiveness

In considering cashflow effectiveness, the timing of the cashflows on each unmatured financial instrument is compared to the estimated timing of the cashflows arising from the on the corresponding sales or purchase contract on a case by case basis. Given that the timing of the cashflows arising from sales or purchase contract may change as a consequence of change in customer demand or changes in production or logistics arrangements with suppliers, the effectiveness of a hedge may be greater or less than expected, changing the extent to which changes in the fair value of effective cashflow hedges are recognised in the statement of other comprehensive income. The change in fair value of effective cashflow hedges for the year ended 31 March 2022 is shown on page 13.

UREN FOOD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Turnover and other revenue

	2022 £'000	2021 £'000
Turnover analysed by geographical market		
United Kingdom	54,325	51,383
Rest of the World	26,880	26,210
	<u>81,205</u>	<u>77,593</u>
	2022 £'000	2021 £'000
Other revenue		
Interest income	45	63
Dividends received	62	80
	<u>107</u>	<u>143</u>

All turnover relates to the sale of fruit, fruit juices and concentrates, vegetables, honey, nuts and other food ingredients.

4 Operating profit

	2022 £'000	2021 £'000
Operating profit for the year is stated after charging:		
Exchange losses	190	468
Depreciation of owned tangible fixed assets	335	281
(Profit)/loss on disposal of tangible fixed assets	-	40
Operating lease charges	63	65
	<u>588</u>	<u>854</u>

5 Auditor's remuneration

	2022 £'000	2021 £'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	30	30
	<u>30</u>	<u>30</u>
For other services		
Taxation compliance services	6	9
Other non-audit fees	5	5
	<u>11</u>	<u>14</u>

UREN FOOD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Purchasing and distribution	84	123	14	15
Sales and marketing	12	14	12	12
Administration	31	32	11	11
Total	127	169	37	38

Their aggregate remuneration comprised:

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Wages and salaries	3,209	3,349	2,054	2,118
Social security costs	447	476	257	271
Pension costs	128	179	69	72
	3,784	4,004	2,380	2,461

7 Directors' remuneration

	2022 £'000	2021 £'000
Remuneration for qualifying services	722	754
Company pension contributions to defined contribution schemes	15	23
Sums paid to third parties for directors' services	-	10
	737	787

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £'000	2021 £'000
Remuneration for qualifying services	240	231

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2021: 3).

UREN FOOD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8	Interest payable and similar expenses	2022	2021
		£'000	£'000
	Other interest	353	274
		<u> </u>	<u> </u>
9	Interest receivable and similar income	2022	2021
		£'000	£'000
	Interest income		
	Interest on group loans	45	63
	Other income from investments		
	Dividends received	62	80
		<u> </u>	<u> </u>
	Total income	107	143
		<u> </u>	<u> </u>
10	Taxation	2022	2021
		£'000	£'000
	Current tax		
	UK corporation tax on profits for the current period	254	272
	Adjustments in respect of prior periods	-	(1)
		<u> </u>	<u> </u>
	Total current tax	254	271
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	18	-
		<u> </u>	<u> </u>
	Total tax charge	272	271
		<u> </u>	<u> </u>

UREN FOOD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £'000	2021 £'000
Profit before taxation	1,208	1,382
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	230	263
Tax effect of expenses that are not deductible in determining taxable profit	5	8
Group relief	16	-
Permanent capital allowances in excess of depreciation	12	-
Other permanent differences	(9)	-
Effect of overseas tax rates	-	1
Under/(over) provided in prior years	-	(1)
Deferred tax movement	18	-
Taxation charge	272	271

11 Dividends

	2022 £'000	2021 £'000
Recognised as distributions to equity holders:		
Final paid	1,250	1,400

UREN FOOD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

12 Tangible fixed assets

Group	Freehold land and buildings £'000	Plant and equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2021	1,080	1,674	658	80	3,492
Additions	79	118	31	-	228
Disposals	-	-	-	(11)	(11)
Transfers	(10)	10	-	-	-
Exchange adjustments	27	80	8	3	118
At 31 March 2022	1,176	1,882	697	72	3,827
Depreciation and impairment					
At 1 April 2021	356	976	292	49	1,673
Depreciation charged in the year	41	179	102	13	335
Eliminated in respect of disposals	-	-	-	(10)	(10)
Exchange adjustments	12	72	(4)	(15)	65
At 31 March 2022	409	1,227	390	37	2,063
Carrying amount					
At 31 March 2022	767	655	307	35	1,764
At 31 March 2021	724	698	366	31	1,819

Land and buildings are shown at cost. Land and buildings are represented by a cold store situated in Chile and the freehold UK head office premises.

Included within the cost of land and buildings is £200,000 (2021: £200,000) in respect of land which is not depreciated.

Included in the net book value of plant, equipment and motor vehicles is £535,000 (2021: £575,000) in respect of finance leases. Depreciation for the year on these assets was £143,000 (2021: £137,000).

UREN FOOD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

12 Tangible fixed assets

(Continued)

Company	Freehold land and buildings £'000	Plant and equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2021	525	3	493	11	1,032
Additions	-	-	23	-	23
Disposals	-	-	-	(11)	(11)
	<u>525</u>	<u>3</u>	<u>516</u>	<u>-</u>	<u>1,044</u>
At 31 March 2022	525	3	516	-	1,044
Depreciation and impairment					
At 1 April 2021	102	3	151	10	266
Depreciation charged in the year	5	-	88	-	93
Eliminated in respect of disposals	-	-	-	(10)	(10)
	<u>107</u>	<u>3</u>	<u>239</u>	<u>-</u>	<u>349</u>
At 31 March 2022	107	3	239	-	349
Carrying amount					
At 31 March 2022	<u>418</u>	<u>-</u>	<u>277</u>	<u>-</u>	<u>695</u>
At 31 March 2021	<u>423</u>	<u>-</u>	<u>342</u>	<u>1</u>	<u>766</u>

Land and buildings are shown at cost. Land and buildings are represented by the freehold UK head office premises.

Included within the cost of land and buildings is £200,000 (2021: £200,000) in respect of land which is not depreciated.

13 Fixed asset investments

	Notes	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Investments in subsidiaries	14	-	-	315	315
Investments in associates	15	1,967	1,858	3	3
		<u>1,967</u>	<u>1,858</u>	<u>318</u>	<u>318</u>

UREN FOOD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

13 Fixed asset investments (Continued)

Movements in fixed asset investments Group

Shares in
associates
£'000

Cost

At 1 April 2021	1,858
Share of profits	216
Exchange rate difference	(107)

At 31 March 2022	1,967
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Carrying amount

At 31 March 2022	1,967
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At 31 March 2021	1,858
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Movements in fixed asset investments Company

Shares in
subsidiaries
and associates

£'000

Cost

At 1 April 2021 and 31 March 2022	318
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Carrying amount

At 31 March 2022	318
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At 31 March 2021	318
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14 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Country of incorporation	Registered office address	Class of shares held	% Held direct
1 Berries Chile SA	Chile	Linares, Chile	Ordinary	80.00
2 Uren North America LLC	USA	North Carolina, USA	Ordinary	100.00

All the group undertakings are engaged in the same principal activities as the parent company. All companies have a financial year end of 31 March except Berries Chile SA, which has a 31 December year end, a legal requirement in Chile. All the subsidiary undertakings are included in the consolidation.

UREN FOOD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 Associates

Details of associates at 31 March 2022 are as follows:

Name of undertaking	Country of incorporation	Registered office address	Class of shares held	% Held direct
1 Uren Novaberry Sp. z.o.o.	Poland	Lublin, Poland	Ordinary	34
2 Uren Serbia	Serbia	Ljubovija, Serbia	Ordinary	33

All the group undertakings are engaged in the same principal activities as the parent company. All companies have a financial year end of 31 March. All the associate undertakings are included in the consolidation.

16 Stocks

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Finished goods and goods for resale	10,581	12,734	7,400	9,781

17 Debtors

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Amounts falling due within one year:				
Trade debtors	17,664	11,569	15,395	10,254
Amounts owed by group undertakings	3,643	4,209	3,682	4,517
Other debtors	434	271	198	16
Prepayments and accrued income	897	354	895	352
	22,638	16,403	20,170	15,139

Amounts falling due after more than one year:

Deferred tax asset (note 22)	1	1	1	1
Total debtors	22,639	16,404	20,171	15,140

The above amounts owed by group undertakings are stated net of provisions. All debts are repayable on demand. An impairment loss of £253,000 was recognised (2021: £273,000) in the group accounts. In the company accounts, an impairment loss of £253,000 was recognised (2021: £255,000).

UREN FOOD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

18 Creditors: amounts falling due within one year

		Group		Company	
	Notes	2022	2021	2022	2021
		£'000	£'000	£'000	£'000
Bank loans	21	3,726	2,465	-	-
Obligations under finance leases	20	47	59	-	-
Invoice discounting	21	8,969	8,201	8,969	8,201
Trade creditors		9,116	5,816	7,388	4,505
Amounts owed to group undertakings		-	-	248	-
Amounts owed to associates		137	53	137	53
Corporation tax payable		112	140	78	140
Other taxation and social security		996	358	915	329
Other creditors		239	940	70	205
Accruals and deferred income		1,164	1,870	714	2,250
		<u>24,506</u>	<u>19,902</u>	<u>18,519</u>	<u>15,683</u>

Obligations under finance leases are secured by way of a charge over the relevant assets.

19 Creditors: amounts falling due after more than one year

		Group		Company	
	Notes	2022	2021	2022	2021
		£'000	£'000	£'000	£'000
Bank loans and overdrafts	21	146	674	-	-
Obligations under finance leases	20	36	68	-	-
		<u>182</u>	<u>742</u>	<u>-</u>	<u>-</u>

Obligations under finance leases are secured by way of a charge over the relevant assets.

20 Finance lease obligations

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Future minimum lease payments due under finance leases:				
Within one year	47	59	-	-
In two to five years	36	68	-	-
	<u>83</u>	<u>127</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

UREN FOOD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

21 Loans and overdrafts

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Bank loans	3,872	3,139	-	-
Invoice discounting	8,969	8,201	8,969	8,201
	<u>12,841</u>	<u>11,340</u>	<u>8,969</u>	<u>8,201</u>
Payable within one year	12,695	10,666	8,969	8,201
Payable after one year	<u>146</u>	<u>674</u>	<u>-</u>	<u>-</u>

At 31 March 2021 the company's bank borrowings are secured by a charge against the assets of the Uren Food group. At the balance sheet date group borrowings on which security has been given, total £12,841,000 (2021: £11,340,000).

22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2022 £'000	Liabilities 2021 £'000	Assets 2022 £'000	Assets 2021 £'000
Decelerated capital allowances	<u>18</u>	<u>-</u>	<u>1</u>	<u>1</u>
Company	Liabilities 2022 £'000	Liabilities 2021 £'000	Assets 2022 £'000	Assets 2021 £'000
Decelerated capital allowances	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>

Movements in the year:	Group 2022 £'000	Company 2022 £'000
Asset at 1 April 2021	(1)	(1)
Charge to other comprehensive income	18	-
Liability/(Asset) at 31 March 2022	<u>17</u>	<u>(1)</u>

UREN FOOD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

22 Deferred taxation (Continued)

In the company and group accounts, the deferred tax asset includes the deferred tax relating to timing differences between capital allowances and depreciation.

23 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£'000	£'000
Charge to profit or loss in respect of defined contribution schemes	128	179

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

24 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£'000	£'000
Issued and fully paid				
Ordinary A shares of £1 each	2,501	2,501	2,501	2,501
Ordinary B shares of £1 each	2,499	2,499	2,499	2,499
	5,000	5,000	5,000	5,000

All shares are classified in shareholders' funds.

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

Cash flow hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Dividends

Total dividends of £1,250,000 (2021:£1,400,000) equivalent to £250 (2021:£280) per qualifying ordinary share were proposed by the directors.

25 Financial commitments, guarantees and contingent liabilities

Uren Food Group Limited has given guarantees to HMRC in relation to its duty deferment bond amounting to £300,000 (2021: £300,000). On 8 March 2019 the company entered into a cross guarantee and fixed and floating charge agreement with Wood Park Foods Limited in favour of HSBC PLC. This guarantees the Uren Food Group Limited bank facilities of £12,000,000. The directors believe the financial condition of the Group is such that this guarantee will not be called upon. There was a liability of £8,969,000 (2021: £8,201,000) at the end of the current financial year. On 21 January 2020, Uren Food Group provided a guarantee of £2,500,000 in favour of HSBC Chile. The guarantee was increased to £3,200,000 in December 2021 and to £4,200,000 in December 2022. This guarantees the Berries Chile SA bank facilities with HSBC. The directors believe the financial condition of the Group is such that this guarantee will not be called upon. There was a liability of £3,375,000 (2021: £2,500,000) at the end of the current financial year.

UREN FOOD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

26 Operating lease commitments

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

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Within one year	42	40	42	40
Between two and five years	29	14	29	14
	<u>71</u>	<u>54</u>	<u>71</u>	<u>54</u>

27 Related party transactions

At the beginning and end of the year, an employee had a 15% interest in Uren Novaberry Sp. z o.o. The company is an associated company of the Uren Group and trades with the group. Uren Novaberry turnover was £9,300,000 for the year ended 31 March 2021 (2021: £5,990,000) of which £1,834,000 (2021: £1,687,000) sales were to Uren Food Group Limited. At 31 March 2022 £137,000 was due to the associate from the group (2021: £53,000) as part of normal trading. No amounts were written off the debt due to Uren Novaberry Sp. z o.o. during the year.

During the year, Uren Food Group entered into transactions with Berries Chile SA, a subsidiary, of which it owns 80%, in the ordinary course of business. Purchases from Berries Chile SA in the year were £1,102,000 (2021: £1,599,000). At 31 March 2021, £248,000 was due to/(from) Berries Chile SA (2021: £(343,000)). No amounts were written off the debt due to/(from) Berries Chile SA during the year.

Transactions with key management personnel

Total compensation to key management personnel in the year amounted to £737,000 (2021: £786,000).

28 Controlling party

The Directors consider the ultimate and immediate parent company to be Wood Park Foods Limited which owns 100% of the share capital of Uren Food Group Limited. The company registered address of Wood Park Foods Limited is Wood Park, Neston, Wirral, CH64 7TB.

There is no ultimate controlling party of Wood Park Foods Limited.

UREN FOOD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

29 Cash generated from/(absorbed by) group operations

	2022 £'000	2021 £'000
Profit for the year after tax	936	1,111
Adjustments for:		
Share of results of associates and joint ventures	(216)	(89)
Taxation charged	272	271
Finance costs	353	274
Investment income	(107)	(143)
Fair value (gain)/loss	(356)	468
Depreciation and impairment of tangible fixed assets	335	281
Movements in working capital:		
Decrease/(increase) in stocks	2,153	(4,004)
(Increase)/decrease in debtors	(6,045)	503
Increase in creditors	3,386	546
Cash generated from/(absorbed by) operations	711	(782)

30 Analysis of changes in net debt - group

	1 April 2021 £'000	Cash flows £'000	31 March 2022 £'000
Cash at bank and in hand	688	145	833
Borrowings excluding overdrafts	(11,340)	(1,501)	(12,841)
Obligations under finance leases	(127)	44	(83)
	(10,779)	(1,312)	(12,091)

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