

**Cavaghan & Gray Group Limited**

**Annual report and financial statements**

**For the 52 weeks ended 27 July 2019**

**Company registration no. 01357837**

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## **Officers and professional advisors**

### **Directors**

R S Boparan  
M P Fletcher (resigned 31 July 2018)  
R K O Kers  
C A Tomkinson

### **Registered office**

Trinity Park House  
Fox Way  
Wakefield  
West Yorkshire  
WF2 8EE

## **Strategic report**

The directors present their strategic report for the 52 weeks ended 27 July 2019.

### **Business overview and principal activities**

Cavaghan & Gray Group Limited ("the Company") is a wholly owned indirect subsidiary the group headed by Boparan Holdings Limited ("the Group").

The principal activity of the Company is that of a holding company.

The profit for the period attributable to shareholders amounted to £1,341,000 (2018: £1,341,000).

### **Key performance indicators**

The Company has not identified any key performance indicators due to the nature of its operations as a holding company.

### **Principal risks & uncertainties and financial risk management**

The Company does not have any exposure to external financing and funds its operations from a mixture of retained earnings and intragroup receivables.


The principal risk to the Company is the risk of impairment of the investment balance which is dependent on the performance of the underlying businesses within the Group. The performance of the underlying subsidiaries is periodically reviewed in order to mitigate this risk.

The principal risks and uncertainties facing the Group are discussed in the annual report of Boparan Holdings Limited, which does not form part of this annual report. The Group annual report is publically available as detailed in note 11.

### **Future prospects**

The directors expect the Company to continue to operate as a holding company within the Group.

Approved by the board of directors and signed on its behalf by:



C A Tomkinson  
Director

26 February 2020

**Directors' report**

The directors present their annual report and financial statements for the 52 weeks ended 27 July 2019.

**Directors**

The directors of the Company who served during the period ended 27 July 2019 and up to the date of signing the financial statements are those listed on page 1.

**Directors' indemnities**

The Company made qualifying third party indemnity provisions for the benefit of its directors during the period which remain in force at the date of this report.

**Dividends**

No interim dividend was paid in the period (2018: £nil) and the directors do not recommend the payment of a final dividend (2018: £nil).

**Going concern**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in note 1.

**Financial risk management**

The financial risks faced by the Company and the way these are managed are addressed within the Strategic Report on page 2.

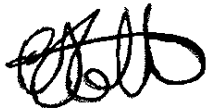
**Employees**

The Company has no employees other than directors. Details of the directors' emoluments can be found in note 3.

**Future prospects**

Details of the future prospects of the Company can be found in the strategic report and form part of this report by cross reference.

Approved by the board of directors and signed on its behalf by:



C A Tomkinson  
Director

**26** February 2020

## **Directors' responsibilities statement**

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

- Select suitable accounting policies and then apply them consistently;
- Make judgments 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 financial statements; 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 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. They 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 members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Cavaghan & Gray Group Limited

## Statement of income and retained earnings

For the 52 weeks ended 27 July 2019

	Note	52 weeks ended 27 July 2019 £'000	52 weeks ended 28 July 2018 £'000
<b>Operating profit</b>		-	-
Net finance income	4	<b>1,341</b>	1,341
<b>Profit before taxation</b>		<b>1,341</b>	1,341
Taxation on profit	5	-	-
<b>Total comprehensive profit for the financial period</b>		<b>1,341</b>	1,341
 <b>Retained earnings at the start of the period</b>		 <b>5,311</b>	 3,970
<b>Retained earnings at the end of the period</b>		<b>6,652</b>	5,311

All results derive from continuing operations.

There are no recognised gains or losses in either period other than the profit or loss for that period.

# Cavaghan & Gray Group Limited

## Balance sheet

At 27 July 2019

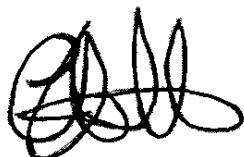
	Note	27 July 2019 £'000	28 July 2018 £'000
<b>Non-current assets</b>			
Investments	6	3,938	3,938
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	23,231	21,890
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	8	(989)	(989)
<b>Net current assets</b>		<u>22,242</u>	<u>20,901</u>
<b>Total assets less current liabilities</b>		<u>26,180</u>	<u>24,839</u>
<b>Net assets</b>		<u>26,180</u>	<u>24,839</u>
<b>Capital and reserves</b>			
Called up share capital	9	3,355	3,355
Share premium account	9	15,508	15,508
Other reserves	9	665	665
Profit and loss account		6,652	5,311
<b>Shareholders' funds</b>		<u>26,180</u>	<u>24,839</u>

For the 52 weeks ended 27 July 2019 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

No members have required the Company to obtain an audit of its accounts for the 52 weeks ended 27 July 2019 in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the accounts.

The financial statements of Cavaghan & Gray Group Limited were approved by the board of directors and authorised for issue on 26 February 2020. They were signed on its behalf by:



C A Tomkinson  
Director  
Company number 01357837



# **Cavaghan & Gray Group Limited**

## **Notes to the financial statements For the 52 weeks ended 27 July 2019**

### **1. Accounting policies**

#### **Basis of accounting**

Cavaghan & Gray Group Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1 and the nature of the Company's operations and its principal activities are set out in the strategic report.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling, because that is the currency of the primary economic environment in which the Company operates. These financial statements are also presented in pounds sterling.

#### **Financial Reporting Standard 102 – reduced disclosure exemptions**

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions available to it in FRS102 Paragraph 1.12. In preparing these financial statements, exemptions have been taken in respect of:

- The requirements of Section 3; Financial Statement Presentation paragraph 3.17(d), and Section 7, Statement of Cashflows;
- The requirements of Section 11; Basic Financial Instruments paragraphs 11.41(b) - (c), 11.41 (e) - (f), 11.42, 11.44 - 11.45, 11.47, 11.48(a)iii) – (aiv), 11.48(b) – (c);
- The requirements of Section 12; Other Financial Instruments Issues paragraph 12.26 – 12.27, 12.29(a) – (b) and 12.29A; and
- The requirements of Section 33; Related Party Disclosures paragraph 33.7.

The Company is consolidated in the financial statements of its ultimate parent, Boparan Holdco Limited. Copies of these financial statements may be obtained from the Company's registered office.

The Company has also presented a statement of income and retained earnings in place of a statement of comprehensive income and a statement of changes in equity in accordance with FRS102 Paragraph 6.4.

# **Cavaghan & Gray Group Limited**

## **Notes to the financial statements (continued) For the 52 weeks ended 27 July 2019**

### **1. Accounting policies (continued)**

#### **Group financial statements**

The Company has taken advantage of the exemption from preparing consolidated accounts afforded by section 400 of the Companies Act 2006, because it is a wholly owned indirect subsidiary of Boparan Holdings Limited which is the smallest group of undertakings which prepare publicly available consolidated accounts that incorporate the results of the Company. Therefore these financial statements present information about the Company as an individual undertaking and not about its group.

#### **Going concern**

The Company is in a net asset position and does not have any exposure to external financing as its working capital and short term cash flow requirements are managed through financial support from its intermediate parent company.

The intermediate parent company, Boparan Holdings Limited, has confirmed it will provide sufficient financial support, should it be required, to enable the Company to meet its liabilities as they fall due for a period of not less than 12 months from the date of approval of the financial statements, as long as the Company remains within the Group. The going concern of the Company is therefore dependent on the going concern of the Group.

In determining whether the Company's financial statements can be prepared on a going concern basis, the directors considered the Company's and Group's business activities, together with the factors likely to affect its future development, performance and position. The review included the financial position of the Group, its cash flows, liquidity position, borrowing facilities and covenants. The key factors considered by the directors were as follows:

- Consideration of detailed forecasts prepared for the 12 month period from the date of approval of the financial statements and the application of sensitivities to those forecasts;
- the implications of the challenging economic environment and future uncertainties on the Group's revenues and profits and its abilities to meet financial covenants;
- the impact of the competitive environment within which the Group's businesses operate;
- the potential actions which could be taken in the event that revenues are worse than expected, to ensure that operating profit and cash flows are protected; and
- the Group has access to undrawn facilities and a committed bank facility to meet working capital requirements.

As at the date of this annual report and financial statements, the directors have a reasonable expectation that the Company have adequate resources to continue in business for the foreseeable future being a period of not less than 12 months from the date of approval of these financial statements. Accordingly, the financial statements for the 52 weeks ended 27 July 2019 have been prepared on the going concern basis.

#### **Taxation**

Current tax, both UK and overseas, is recognised for the amounts payable (or receivable) in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

# **Cavaghan & Gray Group Limited**

## **Notes to the financial statements (continued) For the 52 weeks ended 27 July 2019**

### **1. Accounting policies (continued)**

#### **Financial instruments**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

All amounts due from, or owed to Group undertakings are repayable on demand and held at amortised cost.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### **Fixed asset investments**

Fixed asset investments are shown at cost less provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future cash flows of the relevant cash generating unit. The discount rate applied is based upon the Company's weighted average cost of capital, with appropriate adjustment for the risks associated with the relevant unit.

#### **Equity instruments**

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received, net of direct issue costs.

### **2. Critical accounting judgements and key sources of estimation uncertainty**

The significant estimates and assumptions used in the preparation of the Company's Financial Statements are outlined below:

Investments are reviewed for impairment at each balance sheet date to determine if there is any indication of impairment. As part of this review, a discount rate is applied to each investment's projected future cashflows in order to estimate the investment's value. Where this value is lower than the carrying value of the investment, an impairment charge is booked. Further details regarding the carrying value of investments can be found in note 6.

### **3. Remuneration of directors**

None of the directors received any remuneration for their services to the Company in either period.

# Cavaghan & Gray Group Limited

## Notes to the financial statements (continued) For the 52 weeks ended 27 July 2019

### 4. Net finance income

	<b>52 weeks ended 27 July 2019 £'000</b>	<b>52 weeks ended 28 July 2018 £'000</b>
Interest receivable from Group undertakings	<b>1,341</b>	<b>1,341</b>

### 5. Taxation on profit

	<b>52 weeks ended 27 July 2019 £'000</b>	<b>52 weeks ended 28 July 2018 £'000</b>
<b>UK corporation tax</b>		
Current charge on profit for the period	-	-
<b>Tax (charge)</b>	<b>-</b>	<b>-</b>

The corporation tax charge is different to the standard UK corporation tax rate of 19.00% (2018: 19.00%). The differences are analysed below:

	<b>27 July 2019 £'000</b>	<b>28 July 2018 £'000</b>
<b>Profit before taxation</b>	<b>1,341</b>	<b>1,341</b>
Taxation at the UK corporation tax rate of 19.00% (2018: 19.00%)	<b>(255)</b>	<b>(255)</b>
<b>Factors affecting the charge:</b>		
Adjustments in respect to prior periods	-	-
Permanent differences	<b>255</b>	<b>255</b>
<b>Tax (charge) for the period</b>	<b>-</b>	<b>-</b>

# Cavaghan & Gray Group Limited

## Notes to the financial statements (continued) For the 52 weeks ended 27 July 2019

### 6. Fixed asset investments

	<b>27 July 2019 £'000</b>	28 July 2018 £'000
Cost and net book value of investments in Group undertakings	<b>3,938</b>	3,938

The Company holds directly 100% of the ordinary share capital and voting rights of the following:

<i>Name of company</i>	<i>Country of Registration</i>	<i>Principal Activity</i>
Cavaghan & Gray Limited	England and Wales	Food Production
Century Way Dale Limited	England and Wales	Dormant
Hortonwood Bakeries Limited	England and Wales	Dormant

The registered address of all investments listed above is Trinity Park House, Fox Way, Wakefield, West Yorkshire, WF2 8EE.

In the opinion of the directors the value of the Company's investment in its subsidiary undertakings is not less than the amount at which it is stated in the balance sheet.

### 7. Debtors: Amounts falling due within one year

	<b>27 July 2019 £'000</b>	28 July 2018 £'000
Amounts due from Group undertakings	<b>23,231</b>	21,890

All amounts due from Group undertakings are repayable on demand and held at amortised cost.

### 8. Creditors: Amounts falling due within one year

	<b>27 July 2019 £'000</b>	28 July 2018 £'000
Amounts due to Group undertakings	<b>987</b>	987
Corporation tax payable	<b>2</b>	2
	<b>989</b>	989

All amounts due to Group undertakings are repayable on demand and held at amortised cost.

## Cavaghan & Gray Group Limited

### Notes to the financial statements (continued) For the 52 weeks ended 27 July 2019

#### 9. Called up share capital and reserves

	27 July 2019 £'000	28 July 2018 £'000
<b>Allotted, called up and fully paid:</b>		
67,091,603 ordinary shares of £0.05 each	<b>3,355</b>	3,355

The Company has one class of ordinary shares which carry no right to fixed income.

The share premium account contains the premium arising on issue of equity shares.

Other reserves arise from historical acquisition accounting.

#### 10. Related party transactions

The Company has taken advantage of the exemption under FRS102 Section 33; Related Party Disclosures paragraph 33.7, as a wholly owned indirect subsidiary of Boparan Holdings Limited, not to disclose related party transactions with other wholly owned members of the Group.

#### 11. Ultimate parent undertaking

The Company is a wholly owned subsidiary of Convenience Foods Limited, a company registered in England and Wales. The parent company of the smallest group of undertakings for which group financial statements are drawn up and of which the Company is a member is Boparan Holdings Limited, registered in England and Wales. The parent company of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member is Boparan Holdco Limited, registered in England and Wales.

Copies of the consolidated financial statements can be obtained from the Company's registered office, as detailed on page 1. As at 27 July 2019 Boparan Holdco Limited was also the Company's ultimate parent undertaking.

R S Boparan and B K Boparan are the ultimate controlling parties.