

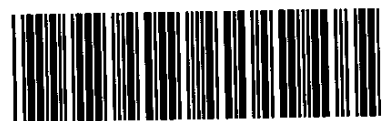
**OSI Food Solutions UK Limited**

**Report and Financial Statements**

**For the year ended 31 December 2022**

**Registered Number 1372104**

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# **OSI Food Solutions UK Limited**

## **Report and Financial Statements For the year ended 31 December 2022**

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**OSI Food Solutions UK Limited****Directors****The Board of Directors**

D G McDonald  
S A De Meulenaere  
M H Back

**Company Secretary**

M H Back

**Registered Office**

Luneburg Way  
Scunthorpe  
North Lincolnshire  
United Kingdom  
DN15 8LP

## OSI Food Solutions UK Limited

### Strategic report for the year ended 31 December 2022

#### Review of business

The principal activity of the Company has continued to be the manufacture and sale of meat products.

#### Development and performance during the year

During 2022, the Company recorded a loss on ordinary activities before taxation of £1,897,000 (2021: profit £2,165,000). Interim dividends totalling £1,000,000 (2021: £3,000,000) were paid and the Directors do not recommend the payment of a final dividend (2021: £nil).

#### Key Performance Indicators ("KPI's")

The Company's key performance indicators are as follows:

	2022 £'000	2021 £'000
Turnover	268,638	203,963
Operating (loss)/profit	(1,771)	2,196
% of sales	(0.6%)	1.1%
Pre-tax (loss)/profit	(1,897)	2,165
% of sales	(0.7%)	1.1%

Turnover for the continuing operations in the period ended 31 December 2022 increased by 32% to £268.6m, compared with £204.0 in the previous period. Sales volumes increased by 2.4% due to the recovery in restaurant dining, with additional sales revenue arising from higher average meat and production costs.

#### Future developments

It is anticipated that volumes sold in 2023 will exceed the levels of 2022.

#### Principal Risks and Uncertainties

The Company's operations expose it to a variety of financial risks that include commodity price risk, liquidity risk, interest rate cash flow risk and foreign exchange currency rate risk. The Company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the Company. Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department.

##### Price risk

The Company is exposed to commodity price risk as a result of its operations. However, given the size of the Company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits.

##### Liquidity risk

The Company retains sufficient cash to ensure it has sufficient available funds for operations.

##### Interest rate cash flow risk

The Company has both interest bearing assets and interest bearing liabilities. Fixed interest bearing liabilities include finance leases from third parties. The Company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

##### Foreign exchange currency rate risk

The Company has a policy to minimise foreign exchange currency rate risk through the regular monitoring of foreign currency flows.

The directors will revisit the appropriateness of the above policies should the Company's operations change in size or nature.

## OSI Food Solutions UK Limited

### Strategic report for the year ended 31 December 2022 (continued)

#### S172 Statement

The Directors of the company have a duty to promote the success of the company. A director of the company must act in the way they consider, in good faith, to promote the success of the company for the benefit of its members, and in doing so have regard (amongst other matters) to:

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

In discharging their s.172 (1) duties the Directors have had regard to the factors set out above, as well as other factors relevant to the decisions being made. The Directors are committed to developing and maintaining a governance framework that is appropriate to the business and supports effective decision-making coupled with robust oversight of risks and internal controls.

Directors undertake a number of stakeholder engagement activities to provide them with the information they need to understand the views and interests of stakeholders.

The company's Key Stakeholders are listed below:

*Shareholders:* Our ultimate shareholders OSI Group LLC are in regular communication with the Board. Performance metrics and updates are provided through established mechanisms.

*Employees:* The directors recognise the importance of the contribution made by our employees to continue to deliver the highest level of product and services for customers. Initiatives to encourage wellbeing continue to evolve and are strongly influenced by the workforce. Professional and personal development of employees is viewed as fundamental to the continued success of the company.

*Suppliers:* The directors rely on suppliers to provide the services and goods needed to support our business and maintain the high quality to customers. Engagement with suppliers enables the Company to develop and maintain long-term and sustainable relationships and helps ensure that the Company purchases products and services from suppliers who operate responsibly and in line with our policies and standards.

*Customers:* The directors recognise that meeting the needs of customers is key to the continued success of the business. The company is committed to supplying the customer's products of the highest quality to meet their requirements. Engagement with Customers takes many forms including Customer Feedback and KPIs in addition to the ongoing relationship with customers throughout the year. The results of the discussions with customers are discussed and utilised to drive the strategic direction of the business.

*Community and Environment:* The directors recognise the importance of the environmental impact of the company. The company has taken steps to minimise its carbon footprint, and has offset 58 tonnes of carbon dioxide through various initiatives.

When making decisions, the Gands (U.K.) Board considers the insights obtained through the listed relevant stakeholder engagement activities as well as the need to maintain a reputation for high standards of business conduct and the long term consequence of its decisions.

#### On behalf of the Board



M H Back

Director

27 November 2023

## **OSI Food Solutions UK Limited**

### **Directors' report for the year ended 31 December 2022**

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2022.

#### **Future developments**

The future developments of the Company are included within the Strategic Report on page 3.

#### **Directors**

The directors who served during the period and up to the date of signing the financial statements are as follows:-

S Lavin (deceased 26 May 2023)  
D G McDonald  
S A De Meulenaere  
M H Back

#### **Statement of directors' responsibilities**

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

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

## OSI Food Solutions UK Limited

### Directors' report for the year ended 31 December 2022 (continued)

#### Energy and emissions report

The directors recognise the importance of the environmental impact of the Company and continue to implement energy efficient actions:- adopting remaining recommendations identified within the ESOS (phase 2) report, implementation of energy monitoring and targeting by installing meters to measure consumption, set targets, increase power quality, ongoing installation of LED Lighting, ongoing insulation of CIP Pipe-work and installation of humidity controls on factory dehumidifiers.

The energy and emissions figures were as follows:

	Year to 31 December 2022	Year to 31 December 2021
<b>UK energy consumption (kWh)</b>	<b>9,226,667</b>	<b>9,181,274</b>
Emissions from combustion of gas (Scope 1)	283 tonnes CO <sub>2</sub> e	277 tonnes CO <sub>2</sub> e
Emissions from purchased electricity (Scope 2)	1,445 tonnes CO <sub>2</sub> e	1,630 tonnes CO <sub>2</sub> e
Emissions from business travel (Scope 3)	4 tonnes CO <sub>2</sub> e	2 tonnes CO <sub>2</sub> e
<b>Total emissions</b>	<b>1,732 tonnes CO<sub>2</sub>e</b>	<b>1,909 tonnes CO<sub>2</sub>e</b>
Intensity ratio: CO <sub>2</sub> emissions (tonnes)/production (tonnes)	0.03	0.04

CO<sub>2</sub>e = carbon dioxide equivalent

Associated Greenhouse gases have been calculated using the annually updated emission factors that are available on: <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

#### Audit Requirement

For the period ending 31 December 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The accounts of the Company are included in the audited consolidated accounts of the ultimate UK parent company, Gands (U.K.) [02786695], who has issued a guarantee in respect of liabilities of the Company arising in the period ended 31 December 2022.

#### Matters of strategic importance

The company has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the company's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report.

#### On behalf of the Board



**M H Back**  
**Director**  
**27 November 2023**

## OSI Food Solutions UK Limited

### Statement of Comprehensive Income For the year ended 31 December 2022

	Note	Year to 31 December 2022 £'000	Year to 31 December 2021 £'000
<b>TURNOVER</b>	1	<b>268,638</b>	203,963
Cost of sales		(265,082)	(197,010)
<b>GROSS PROFIT</b>		<b>3,556</b>	6,953
Distribution costs		(2,407)	(2,636)
Administrative expenses		(2,920)	(2,119)
<b>OPERATING PROFIT</b>		<b>(1,771)</b>	2,198
Interest payable and similar charges	5	(126)	(33)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	<b>(1,897)</b>	2,165
Tax on profit on ordinary activities	6	422	(403)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND PROFIT FOR THE FINANCIAL PERIOD</b>		<b>(1,475)</b>	1,762

All amounts above relate to continuing operations.

Comprehensive income for the financial period is all attributable to the owners of the parent company.



## OSI Food Solutions UK Limited

### Statement of Financial Position as at 31 December 2022

Registered Number: 1372104

		31 December 2022	31 December 2021
	Note	£'000	£'000
<b>FIXED ASSETS</b>			
Tangible assets	8	13,922	7,410
<b>CURRENT ASSETS</b>			
Stocks	9	10,949	6,677
Debtors	10	5,350	4,399
Cash at bank and in hand		4,062	3,341
		20,361	14,417
<b>CURRENT LIABILITIES</b>			
Creditors: Amounts falling due within one year	11	(30,143)	(18,366)
<b>NET CURRENT LIABILITIES</b>		(9,782)	(3,949)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,140	3,461
<b>CREDITORS: amounts falling due after more than one year</b>	12	(3,748)	-
<b>Provisions for liabilities</b>	14	-	(594)
<b>NET ASSETS</b>		392	2,867
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	51	51
Revaluation reserve	16	21	27
Profit and loss account	16	320	2,789
<b>TOTAL EQUITY</b>		392	2,867

For the 52-week period ending 31 December 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The shareholder has not required the Company to obtain an audit of its financial statements for the period in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements on pages 7 to 22 were approved by the board of directors and authorised for issue on 27 November 2023 and were signed on its behalf by:

  
 .....  
**M H Back**  
 Director

# OSI Food Solutions UK Limited

## Statement of Changes in Equity For the year ended 31 December 2022

	Note	Share Capital £'000	Revaluation Reserve £'000	Profit and Loss Account £'000	Total £'000
<b>Balance at 1 January 2021</b>		51	32	4,022	4,105
Profit for the period		-	-	1,762	1,762
Dividends to shareholder	7	-	-	(3,000)	(3,000)
Transfer from Revaluation Reserve		-	(5)	5	-
<b>Balance at 31 December 2021</b>		<b>51</b>	<b>27</b>	<b>2,789</b>	<b>2,867</b>
Loss for the period		-	-	(1,475)	(1,475)
Dividends to shareholder	7	-	-	(1,000)	(1,000)
Transfer from Revaluation Reserve		-	(6)	6	-
<b>Balance at 31 December 2022</b>		<b>51</b>	<b>21</b>	<b>320</b>	<b>392</b>

## **OSI Food Solutions UK Limited**

### **Accounting policies for the year ended 31 December 2022**

#### **General information**

OSI Food Solutions UK Limited ("the Company") is a limited company domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is Luneburg Way, Scunthorpe, North Lincolnshire DN15 8LP.

The nature of the Company's operations is given in the Strategic Report on page 3.

#### **Principal accounting policies**

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention, modified to include the revaluation of freehold properties.

#### **Going concern**

The Directors, after reviewing the Company's budgets, investment plans and financing arrangements, consider that the Company has, at the date of this report sufficient financing available for the estimated requirements for the foreseeable future. Accordingly, the Directors are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

#### **Functional and presentational currencies**

The financial statements are presented in sterling which is also the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

#### **Reduced disclosures**

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; 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 33 'Related Party Disclosures' – Compensation for key management personnel

The financial statements of the Company are consolidated in the financial statements of Gands (U.K.). The consolidated financial statements of Gands (U.K.) are publicly available from Companies House, Crown Way, Cardiff CF14 3UZ.

## **OSI Food Solutions UK Limited**

### **Accounting policies for the year ended 31 December 2022 (continued)**

#### **Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

#### *Sale of meat products*

Turnover is recognised when it and the associated costs can be measured reliably, future economic benefits are probable, and the risks and rewards of ownership have been transferred to the customer. Sales of meat products are recognised when goods are delivered and legal title has passed and the Company has no continuing managerial involvement associated with ownership or effective control of the goods sold.

#### **Tangible fixed assets**

Tangible fixed assets are measured at cost or deemed cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write down the cost or valuation of tangible fixed assets to their estimated residual values on a straight-line basis over the period of their expected useful economic lives, as follows:

Freehold land	Nil
Freehold buildings	Over 33 years
Additions to freehold buildings	Over the remaining depreciation period of the main building
Plant and machinery	Between 3 to 10 years
Assets held under finance leases	Over the useful life

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Major spare parts that are expected to be used in more than one period, or that can only be used for one asset, are capitalised as tangible fixed assets. All other spare parts are classified as stocks.

Subsequent costs, including replacement parts and major inspections, are capitalised only when it is probable that such costs will generate future economic benefits. Any replaced parts or remaining carrying amounts of previous inspections are then derecognised. All other costs of repairs and maintenance are charged to profit or loss as incurred.

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Company estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

## OSI Food Solutions UK Limited

### Accounting policies for the year ended 31 December 2022 (continued)

#### **Capital grants**

Capital grants relating to tangible fixed assets are treated as deferred income and released to profit or loss over the anticipated useful lives of the relevant assets.

#### **Capitalisation of finance costs**

Finance costs directly incurred in the construction of freehold buildings are capitalised and are being written off over the expected useful economic life of the building. All other finance costs, not incurred in the construction of fixed assets, are written off to profit or loss in the period in which they are incurred.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition:

Raw meat and packaging	Purchase cost on a first-in, first-out basis.
Engineering spare parts	Purchase cost on an average basis.
Finished products	Cost of direct materials and labour, plus attributable overheads, based on a weekly level of activity.

At each reporting date, the Company assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock 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.

#### **Financial instruments**

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

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **Financial assets**

##### *Trade and other debtors*

Trade and other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

## **OSI Food Solutions UK Limited**

### **Accounting policies for the year ended 31 December 2022 (continued)**

#### **Financial instruments (continued)**

##### ***Financial liabilities and equity***

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

##### ***Equity instruments***

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

##### ***Trade and other creditors***

Trade and other creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

##### ***Borrowings***

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

##### ***Derecognition of financial assets and liabilities***

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, 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. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from profit on ordinary activities because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

## **OSI Food Solutions UK Limited**

### **Accounting policies for the year ended 31 December 2022 (continued)**

#### **Taxation (continued)**

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted

#### **Leases**

##### *The Company as Lessee – Finance Leases*

An asset and corresponding liability are recognised for leasing agreements that transfer to the Company substantially all of the risks and rewards incidental to ownership (“finance leases”). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. 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. Contingent rents are expensed as incurred.

##### *The Company as Lessee – Operating Leases*

All other leases are operating leases and the annual rentals are charged to profit or loss on a straight line basis over the lease term.

#### **Pensions**

During the period, the Company contributed to a money purchase pension scheme, the OSI Food Solutions UK Limited Group Personal Pension Plan. Contributions payable for the period are charged to profit or loss.

#### **Foreign currencies**

Transactions denominated in currencies other than the functional currency (foreign currency) are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated using the rate of exchange prevailing at the reporting date. All exchange differences arising are taken to profit or loss.

#### **Critical accounting estimates and areas of judgement**

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.

##### *Critical accounting estimates and assumptions*

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### *Depreciation method, rates and useful life of fixed assets*

The assessment of the useful economic lives and the method of depreciating fixed assets requires judgement by the directors to ensure that assets match the future economic benefits embodied in them.

##### *Critical areas of judgement*

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Company as lessee.

## OSI Food Solutions UK Limited

### Notes to the financial statements for the year ended 31 December 2022

#### 1. Turnover

There is only one class of business which is the manufacture and sale of meat products.

An analysis of turnover by destination is given below:

	Year to 31 December 2022 £'000	Year to 31 December 2021 £'000
United Kingdom	267,213	202,915
Rest of EU	1,425	1,048
	<u>268,638</u>	<u>203,963</u>

#### 2. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging / (crediting):

	Year to 31 December 2022 £'000	Year to 31 December 2021 £'000
Depreciation of tangible fixed assets	1,828	1,688
Release of deferred income (grants)	(12)	(20)
Job retention scheme recoveries	-	(27)
Auditors' remuneration:		
- audit services	48	48
Foreign exchange losses/(profits)	(3)	(28)
Operating lease costs:		
- Plant and machinery	217	161

#### 3. Directors' emoluments

The directors did not receive any emoluments in respect of their services to the Company (2021: £nil).



## OSI Food Solutions UK Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 4. Employee information

The average monthly number of persons employed by the Company during the period, including executive directors, is analysed below:

By activity:	Year to 31 December 2022 Number	Year to 31 December 2021 Number
Administration	28	25
Manufacturing	144	130
	<u>172</u>	<u>155</u>

Staff costs (for the above persons):

	Year to 31 December 2022 £'000	Year to 31 December 2021 £'000
Wages and salaries	5,268	5,995
Social security costs	595	487
Other pension costs (see note 19)	168	159
	<u>6,031</u>	<u>6,641</u>

#### 5. Interest payable and similar charges

	Year to 31 December 2022 £'000	Year to 31 December 2021 £'000
Interest payable on bank overdrafts	6	1
Interest payable on group company loans	120	32
	<u>126</u>	<u>33</u>

## OSI Food Solutions UK Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 6. Tax on profit on ordinary activities

##### Analysis of tax charge in the period

	Year to 31 December 2022 £'000	Year to 31 December 2021 £'000
<b>Current tax:</b>		
UK corporation tax and group relief on profits of the period	-	187
Prior period adjustment	172	28
Total current tax	172	215
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(452)	252
Prior period adjustments	(142)	(146)
Rate adjustment	-	82
Total deferred tax (note 14)	(594)	188
<b>Tax on profit on ordinary activities</b>	<b>(422)</b>	<b>403</b>

##### Factors affecting the tax charge in the period

The tax charge for the period is lower (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	Year to 31 December 2022 £'000	Year to 31 December 2021 £'000
(Loss)/profit on ordinary activities before taxation	(1,896)	2,165
Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	(360)	411
Effects of:		
Expenses not deductible for tax purposes	70	45
Income not taxable	(2)	(4)
Enhanced capital allowances	(360)	(74)
Losses not recognised	308	-
Prior period adjustment	31	(118)
Rate adjustment	(109)	143
<b>Total tax charge for the period</b>	<b>(422)</b>	<b>403</b>

##### Factors affecting future tax charges

In the Finance Act 2022 the rate of UK corporation tax was increased from 19% to 25%, effective 1 April 2023. Deferred tax balances have been measured at a rate of 25%.

## OSI Food Solutions UK Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 7. Dividends

	Year to 31 December 2022 £'000	Year to 31 December 2021 £'000
Interim paid: £19.80 (2021: £59.40) per £1 ordinary share	1,000	3,000

#### 8. Tangible fixed assets

	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, Fittings & Equipment £'000	Total £'000
<b>Cost</b>				
At 1 January 2022	8,208	22,786	2,295	33,289
Additions	33	8,121	185	8,339
Disposals	-	-	-	-
<b>At 31 December 2022</b>	<b>8,241</b>	<b>30,907</b>	<b>2,480</b>	<b>41,628</b>
<b>Accumulated Depreciation</b>				
At 1 January 2022	5,980	17,748	2,151	25,879
Charge for the period	235	1,497	95	1,827
Disposals	-	-	-	-
<b>At 31 December 2022</b>	<b>6,215</b>	<b>19,245</b>	<b>2,246</b>	<b>27,706</b>
<b>Net Book Value</b>				
<b>At 31 December 2022</b>	<b>2,026</b>	<b>11,662</b>	<b>234</b>	<b>13,922</b>
At 31 December 2021	2,228	5,038	144	7,410

#### Capitalised interest

Included in tangible fixed assets is capitalised interest at an original cost of £336,000 (2021: £336,000). Depreciation relating to capitalised interest amounted to £10,000 (2021: £10,000).

#### Valuation

The land and buildings were valued by Edmond Shipway, Chartered Quantity Surveyors, on 28 March 1990, on a replacement cost basis, at £5,405,000. The cost of the land and buildings at 31 December 2022 was £7,974,000 (2021: £7,941,000) and their net book value, based on historic cost, was £2,021,000 (2021: £2,201,000).

#### Value of land not depreciated

Included in freehold land and buildings is £360,000 (2021: £360,000) of land that is not depreciated.

## OSI Food Solutions UK Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 9. Stocks

	31 December 2022 £'000	31 December 2021 £'000
Raw materials and consumables	1,763	1,250
Finished goods	9,186	5,427
	<u>10,949</u>	<u>6,677</u>

A provision of £1,063,000 (2021: £13,000) is held against finished goods and consumables.

#### 10. Debtors

	31 December 2022 £'000	31 December 2021 £'000
<b>Amounts falling due within one year:</b>		
Trade debtors	4,269	3,655
Amounts owed by group undertakings	199	215
Other debtors	654	208
Prepayments and accrued income	228	321
	<u>5,350</u>	<u>4,399</u>

There are no impairment losses included within trade debtors.

#### 11. Creditors: amounts falling due within one year

	31 December 2022 £'000	31 December 2021 £'000
Trade creditors	23,123	14,652
Amounts owed to group undertakings	6,036	2,965
Corporation tax and group relief	485	313
Other taxation and social security	148	127
Accruals and deferred income	351	309
	<u>30,143</u>	<u>18,366</u>

#### 12. Creditors: amounts falling due after more than one year

	31 December 2022 £'000	31 December 2021 £'000
Accruals and deferred income	-	-
Amounts owed to group undertakings	3,748	-
	<u>3,748</u>	<u>-</u>

Amounts owed to group undertakings are unsecured loans, carrying interest at rates linked to Libor and are due for repayment on 7 March 2024.

## OSI Food Solutions UK Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 13. Maturity of long-term creditors

##### Deferred income - grant

	31 December 2022 £'000	31 December 2021 £'000
To be released within one year	-	12
To be released within one to two years	-	-
	<u>-</u>	<u>12</u>

#### 14. Provisions for liabilities

##### Deferred tax:

	31 December 2022 Provided £'000	31 December 2021 Provided £'000
Excess of capital allowances over depreciation	1,839	594
Other temporary differences	(2)	-
Trading losses	(1,837)	-
	<u>-</u>	<u>594</u>
	£'000	
At 1 January 2022	594	
Charged to the profit and loss account (note 6)	(594)	
At 31 December 2022	<u>-</u>	

## OSI Food Solutions UK Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 15. Called up share capital

Allotted, called and fully paid:

	31 December 2022 £'000	31 December 2021 £'000
50,500 (2021: 50,500) ordinary shares of £1 each	51	51

#### **Ordinary share rights**

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

#### 16. Reserves

##### **Revaluation reserve (in respect of land and buildings) (note 8)**

The cumulative revaluation gains and losses in respect of land and buildings, except revaluation gains and losses recognised in profit or loss.

##### **Retained earnings**

Cumulative profit and loss net of distributions to owners.

#### 17. Commitments under operating leases

##### **The Company as lessee**

The total future minimum lease payments under non-cancellable operating leases for vehicles, plant and machinery are as follows:

	31 December 2022 £'000	31 December 2021 £'000
Amounts due:		
Within 1 year	120	144
Between 1 and 5 years	63	174
	183	318

#### 18. Contingent liabilities

In August 2022, the OSI Group LLC renewed global loan facilities with various international banks. Total borrowings under these facilities as at 31 December 2022 were £530,000,000 (31 December 2021: £532,000,000). All borrowings are secured by fixed and floating charges over the majority of assets and undertakings of companies within the group. These charges are supported by unlimited cross guarantees and by fixed charges and pledges over the shares of the Company. In addition, the Company has entered into cross guarantees in respect of borrowings of other companies in the OSI Group LLC group. The directors do not expect any material loss to the Company to arise in respect of the guarantees.

## OSI Food Solutions UK Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 19. Pensions

The Company contributes to a money purchase pension scheme, the OSI Food Solutions UK Limited Group Personal Pension Plan. The charge for the period was £168,000 (2021: £159,000). At the period end, the amount of contributions outstanding in accruals was £7,000 (2021: £3,000).

#### 20. Related party transactions

The Company has taken advantage of the exemptions under FRS 102 section 33 not to disclose transactions entered into between fellow wholly owned subsidiaries of OSI Group LLC.

The Company had the following transactions in the ordinary course of business, unless otherwise stated, with other entities related by virtue of their membership of the same group of companies:

Period ended 31 December 2022	Purchases from related parties £'000	Amounts owed to related parties £'000
Pickstock Telford Ltd	55,830	5,501
Period ended 31 December 2021	Purchases from related parties £'000	Amounts owed to related parties £'000
Pickstock Telford Ltd	36,353	2,649

Pickstock Telford Ltd is a joint venture company of OSI Group LLC in which a 50% shareholding is held.

#### 21. Immediate and ultimate parent company and controlling party

The immediate parent undertaking of the Company is OSI Food Solutions UK Holdings Limited, a company incorporated in England, by virtue of its 100% shareholding in the Company. The directors regard OSI Group LLC, a company incorporated in the United States of America, to be the Company's ultimate parent undertaking and ultimate controlling party, by virtue of its shareholding in the intermediate parent undertaking.

The largest and smallest group in which the results of OSI Food Solutions UK Limited are consolidated and publicly available is that of Gands (U.K.), the UK parent company. Copies of Gands (U.K.)'s financial statements are publicly available from Companies House, Crown Way, Cardiff CF14 3UZ. The largest group for which group financial statements are prepared is OSI Group LLC; however the financial statements of OSI Group LLC are not publicly available.

#### 22. Capital commitments

Capital commitments at the balance sheet date amounted to £1,217,000 (2021: £2,984,000).