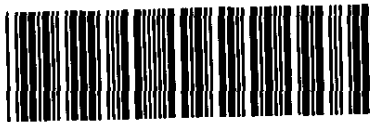


Registered number: 12405506

VB TOPCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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COMPANIES HOUSE

VB TOPCO LIMITED

COMPANY INFORMATION

Directors

C C Jones
R M Jones
D McDonald
J H Paget
A E Taylor

Registered number

12405506

Registered office

Warwick House
25-27 Buckingham Palace Road
SW1W 0PP

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
Royal Liver Building
Liverpool
L3 1PS

VB TOPCO LIMITED

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VB TOPCO LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

The directors present their Strategic report and the audited consolidated financial statements of the company and its subsidiaries ("the group") for the year ended 30 September 2022.

Principal activities

VB Topco is the holding company for Erlas Black Wood No2 Limited, which owns the Village Bakery group of companies. The Village Bakery group comprises four bakeries providing premium baked products for UK retailers and the Jones Village Bakery brand.

Business review

The Village Bakery group continues to grow, benefitting from a full operational year of the roll line at the Ash Road bakery and further success from New Product Development (NPD) driving innovation for our existing and new customers. In addition Ash Road was augmented in July 2022 with a new sourdough line which provides exciting opportunities to develop a whole range of new products for our customers

The Village Bakery group has continued to invest in its people and it remains committed to the very best bakery products, both branded under the Jones Village Bakery label and premium private label products (PPL) for retail customers in the UK.

Innovation, food quality and customer service are three mainstays in the business, and its dedication to continually push the boundaries are the key to its future success.

Principal risks and uncertainties

The main risks facing the group are ingredient and energy inflation, customer retention, and sufficient manufacturing capacity in core lines.

To mitigate the effects of such risks the company buys forward key ingredients to secure prices, and monitors the process to ensure it buys at the best possible time. The group has covered energy contracts at fixed prices for a period ranging from 12-18 months. Methods are reviewed on a regular basis, both on a monitoring basis and as a mechanism to identify new risks and uncertainties and to plan accordingly.

The group keeps in continual contact with its major customers to ensure complete customer satisfaction, and is developing new products and ideas to broaden its product base and appeal. It also reviews manufacturing capacity on a regular basis to ensure it has sufficient capacity for both the present and future plans.

VB TOPCO LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

Financial key performance indicators

The group's key focus is to maximise EBITDA through optimising gross profit and minimising overheads.

	FY22 £'000	FY21 £'000
Gross Profit	17,154	9,550
Cash Overheads	(11,527)	(4,971)
 EBITDA	 5,628	 4,579

Non-financial performance indicators are also key to management's holistic approach to all stakeholders. These include;

- Regular meeting with key customers to ensure customer satisfaction with our products and quality of service.
- Annual staff satisfaction surveys
- *Monitoring manufacturing efficiency to keep product waste to a minimum and maximising throughput.*

This report was approved by the board on 6/4/2023 and signed on its behalf.



R M Jones
Director

VB TOPCO LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

The directors present their report and the financial statements for the year ended 30 September 2022.

Research and development

The group's new product development team is core to the organic growth strategy and is growing with extra personnel and enhanced facilities. The opening of the new development kitchen in Ash Road in the Summer of 2021 has significantly enhanced the NPD capability.

Financial risk management

The group's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk, raw material price volatility risk and interest rate risk. The group has in place a risk management programme that seeks to limit the adverse effects on its financial performance by closely monitoring levels of debtors. Exchange rate risk is minimised by the use of foreign exchange contracts.

Dividends and transfers to reserves

Dividends of £Nil have been approved (2021: £Nil). The retained loss for the financial year of £17,497,000 (2021: loss £7,850,000) has been transferred to reserves.

Employee involvement

The group is committed to providing employees with information on matters of concern to them on a regular basis, so that the views of employees can be taken into account when making decisions that are likely to affect their interests. The group encourages the involvement of employees in all aspects of the business.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Directors

The directors who held office during the year and up to the date of signing the financial statements are shown below:

C C Jones
R M Jones
D McDonald
J H Paget
A E Taylor

VB TOPCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 and 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Directors' liability insurance

The group had in place suitable Directors' and Officers' liability insurance during the year and up to the date of signing the financial statements.

Political contributions

The Group has not made any political donations or incurred any political expenditure during the year.

VB TOPCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Energy use and greenhouse gas emissions

For the year ended 30 September 2022, the total annual energy use and green-house gas emissions from the consumption of electricity, natural gas and fuels consumed in transport was:

	30 September 2022	<i>30 September 2021</i>
On-site combustion (MWh)	25,975	<i>11,636</i>
Electricity (MWh)	11,353	<i>986</i>
Road Transport (MWh)	1,680	<i>5,302</i>
Total Energy (MWh)	39,008	<i>17,924</i>
Scope 1 Emissions (tCO ₂ e)	5,143	<i>2,365</i>
Scope 2 Emissions (tCO ₂ e)	2,196	<i>1,126</i>
Total Emissions (tCO₂e)	7,339	<i>3,491</i>

Resultant emissions represent 103tCO₂e/£1m of turnover.

We have undertaken a number of measures designed to reduce our energy consumption and resulting carbon emissions, including improvements to control equipment on fans, separators and mixers. There is a programme of replacing older lighting with energy efficient LED lighting and there are other continuous programmes to reduce energy consumption and emissions overall.

Section 172 (1) of the Companies Act 2006

All directors are aware of and understand their responsibilities under Section 172 (1) of the Companies Act 2006 ('s172').

Strategic, commercial and operational decisions which affect the Group, including all subsidiary companies, are made at the monthly group Board meeting. Separate meetings are held by the directors within the business throughout the month to drive the day to day management, and ensure that businesses policies and ethos is upheld in the way that we do business.

Village Bakery has a consistent and clear corporate strategy to grow margin through a combination of organic growth of existing products and new product development. This strategy aims to create value to meet the investment return expectations of the Board and Investors and securing the future longevity of the business, thereby simultaneously safeguarding jobs, generating career opportunities for colleagues, and further strengthening the relationship with both customers and suppliers enabling them to operate on a secure and stable platform.

The Group is committed to its Corporate Social Responsibilities. We are proactive in helping suppliers to become more aware of sustainability issues and how they might impact on their operations. Communities and employees are supported via various fund raising and sponsorship events.

Details of our Data/Privacy Policy can be found on our website on www.villagebakery.co.uk/privacy.

VB TOPCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

The Board remains focussed on the Group's core business and delivering an exceptional service to its customer base. It will also continue to support investment in projects that improve production efficiency as well as investments that support the development of new products or formats, and will continue to explore synergistic potential acquisitions. These activities are carried out with the aim of reducing operating gearing and building a stable business.

Other information

A review of the business, the results and an indication of likely future developments in the business have been included in the Strategic report on page 1.

Future developments

Through a program centred around product innovation, food quality and customer service, the business expects to continually push the boundaries and grow.

Engagement with suppliers, customers and others

The group is in constant dialogue with all its suppliers, customers and other relevant parties to build mutually beneficial trading relationships.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 6/4/2023 and signed on its behalf.

Robin Jones

R M Jones
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VB TOPCO LIMITED

Opinion

We have audited the financial statements of VB Topco Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2022, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 of the parent Company's affairs as at 30 September 2022 and of the Group's loss 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 the 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and of the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group and the parent Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and of the parent Company's business model including effects arising from macro-economic uncertainties such as the cost of living crisis and the war in Ukraine, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and of the parent Company's financial resources or ability to continue operations over the going concern period.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VB TOPCO LIMITED (CONTINUED)

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 of the 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. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VB TOPCO LIMITED (CONTINUED)

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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 for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VB TOPCO LIMITED (CONTINUED)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company, and the industry in which it operates. We determined the Companies Act 2006 to be the most significant laws and regulations to the entity. We enquired of management whether there were any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected fraud. We corroborated the results of our enquiries to supporting documentation such as board minute reviews. From the procedures performed we did not identify any matters relating to non-compliance with laws and regulation or matters in relation to fraud.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - evaluation of the processes and controls established to address the risks related to irregularities and fraud;
 - testing journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
 - identifying and testing related party transactions.
 - the assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's knowledge of the industry in which the client operates in and understanding of, and practical experience through training and participation with audit engagements of a similar nature;
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the company's operations, including the nature of its revenue sources, expected financial statement disclosures and business risks that may result in risk of material misstatement and
 - the company's control environment including the adequacy of procedures for authorisation of transactions.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VB TOPCO LIMITED (CONTINUED)

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.

Grant Thornton UK LLP

Gareth Hitchmough
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Liverpool
Date: 6/4/2023

VB TOPCO LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

		Year ended 30 September 2022 £000	Period ended 30 September 2021 £000
	Note		
Turnover	4	69,136	33,762
Cost of sales		(51,982)	(24,212)
Gross profit		17,154	9,550
Administrative expenses		(21,238)	(9,165)
Exceptional administrative expenses	13	-	(1,776)
Other operating income	5	56	110
Operating (loss)	6	(4,028)	(1,281)
Interest receivable and similar income		2	-
Interest payable and similar expenses	11	(12,520)	(6,322)
Loss before taxation		(16,546)	(7,603)
Tax on (loss)	12	(951)	(247)
(Loss) for the financial year/period		(17,497)	(7,850)
Total comprehensive income for the year/period		(17,497)	(7,850)
(Loss) for the year/period attributable to:			
Owners of the parent Company		(17,497)	(7,850)
		(17,497)	(7,850)
Total comprehensive income for the year/period attributable to:			
Owners of the parent Company		(17,497)	(7,850)
		(17,497)	(7,850)

The notes on pages 21 to 44 form part of these financial statements.

VB TOPCO LIMITED
REGISTERED NUMBER:12405506

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

		2022	As restated
	Note	£000	2021 £000
Fixed assets			
Intangible assets	14	13,727	17,645
Tangible assets	15	69,222	59,459
		<u>82,949</u>	<u>77,104</u>
Current assets			
Stocks	17	3,456	2,057
Debtors: amounts falling due within one year	18	10,059	8,041
Cash at bank and in hand	19	4,059	7,501
		<u>17,574</u>	<u>17,599</u>
Creditors: amounts falling due within one year	20	(38,234)	(28,602)
Net current liabilities		(20,660)	(11,003)
Total assets less current liabilities		<u>62,289</u>	<u>66,101</u>
Creditors: amounts falling due after more than one year	21	(73,555)	(60,867)
Provisions for liabilities			
Deferred taxation	25	(6,312)	(5,315)
		<u>(6,312)</u>	<u>(5,315)</u>
Net liabilities		<u>(17,578)</u>	<u>(81)</u>
Capital and reserves			
Called up share capital		7,769	7,769
Profit and loss account	26	(25,347)	(7,850)
Equity attributable to owners of the parent Company		<u>(17,578)</u>	<u>(81)</u>
		<u>(17,578)</u>	<u>(81)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6/4/2023

Robin Jones

R M Jones
Director

The notes on pages 21 to 44 form part of these financial statements.

VB TOPCO LIMITED
REGISTERED NUMBER:12405506

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

		2022 £000	As restated 2021 £000
	Note		
Fixed assets			
Investments	16	62,738	62,738
		<u>62,738</u>	<u>62,738</u>
Current assets			
Debtors: amounts falling due within one year	18	706	148
		<u>706</u>	<u>148</u>
Creditors: amounts falling due within one year	20	(19,490)	(16,437)
Net current liabilities		<u>(18,784)</u>	<u>(16,289)</u>
Total assets less current liabilities		<u>43,954</u>	<u>46,449</u>
Creditors: amounts falling due after more than one year	21	(55,256)	(46,410)
Net (liabilities)/assets		<u><u>(11,302)</u></u>	<u><u>39</u></u>
Capital and reserves			
Called up share capital	24	7,769	7,769
Profit and loss account carried forward		(19,071)	(7,730)
		<u><u>(11,302)</u></u>	<u><u>39</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6/4/2023

Robin Jones

R M Jones
 Director

The notes on pages 21 to 44 form part of these financial statements.

VB TOPCO LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£000	£000	£000	£000
At 1 October 2021	7,769	(7,850)	(81)	(81)
Comprehensive income for the year				
Loss for the year	-	(17,497)	(17,497)	(17,497)
Total comprehensive income for the year	-	(17,497)	(17,497)	(17,497)
Total transactions with owners	-	-	-	-
At 30 September 2022	7,769	(25,347)	(17,578)	(17,578)

The notes on pages 21 to 44 form part of these financial statements.

VB TOPCO LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

	Called up share capital £000	Profit and loss account £000	Equity attributable to owners of parent Company £000	Total equity £000
Comprehensive income for the period				
Loss for the period	-	(7,850)	(7,850)	(7,850)
Total comprehensive income for the period	-	(7,850)	(7,850)	(7,850)
Contributions by and distributions to owners				
Shares issued during the period	7,769	-	7,769	7,769
Total transactions with owners	7,769	-	7,769	7,769
At 30 September 2021	7,769	(7,850)	(81)	(81)

The notes on pages 21 to 44 form part of these financial statements.

VB TOPCO LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 October 2021	7,769	(7,730)	39
Comprehensive income for the year			
Loss for the year	-	(11,341)	(11,341)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(11,341)	(11,341)
	<hr/>	<hr/>	<hr/>
At 30 September 2022	7,769	(19,071)	(11,302)
	<hr/>	<hr/>	<hr/>

The notes on pages 21 to 44 form part of these financial statements.

VB TOPCO LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

	Called up share capital £000	Profit and loss account £000	Total equity £000
Comprehensive income for the period			
Loss for the period	-	(7,730)	(7,730)
Total comprehensive income for the period	-	(7,730)	(7,730)
Contributions by and distributions to owners			
Shares issued during the period	7,769	-	7,769
Total transactions with owners	7,769	-	7,769
At 30 September 2021	7,769	(7,730)	39

The notes on pages 21 to 44 form part of these financial statements.

VB TOPCO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	2022	<i>2021</i>
	£000	<i>£000</i>
Cash flows from operating activities		
Loss for the financial year/period	(17,497)	<i>(7,850)</i>
Adjustments for:		
Amortisation of intangible assets	3,995	<i>2,330</i>
Depreciation of tangible assets	5,721	<i>1,876</i>
Finance costs accrued but not paid	11,927	<i>6,215</i>
Loss on disposal of tangible assets	5	<i>(13)</i>
Government grants	(56)	<i>(33)</i>
Interest paid	592	<i>107</i>
Taxation charge	951	<i>247</i>
(Increase) in stocks	(1,399)	<i>(630)</i>
(Increase) in debtors	(3,101)	<i>(1,638)</i>
Increase in creditors	4,472	<i>1,318</i>
Corporation tax received	1,128	<i>313</i>
Net cash generated from operating activities	6,738	<i>2,242</i>
Cash flows from investing activities		
Purchase of tangible fixed assets	(15,560)	<i>(11,521)</i>
Sale of tangible fixed assets	(5)	<i>13</i>
Purchase of fixed asset investments	-	<i>(63,404)</i>
Net cash from investing activities	(15,565)	<i>(74,912)</i>

VB TOPCO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022	2021
	£000	£000
Cash flows from financing activities		
Issue of ordinary shares	-	63,404
New finance leases	10,632	13,894
Repayment of finance leases	(4,655)	-
Repayment of other loans	-	(1,243)
Interest paid	(592)	(107)
Net cash used in financing activities	5,385	75,948
Net (decrease)/increase in cash and cash equivalents	(3,442)	3,278
Cash and cash equivalents at beginning of year/period	7,501	-
Cash acquired	-	4,223
Cash and cash equivalents at the end of year/period	4,059	7,501
Cash and cash equivalents at the end of year/period comprise:		
Cash at bank and in hand	4,059	7,501
	4,059	7,501

The notes on pages 21 to 44 form part of these financial statements.

VB TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

1. General information

VB Topco Limited is a private company limited by shares & incorporated in England and Wales. Its registered head office is located at Warwick House, 25-27 Buckingham Palace Road, SW1W 0PP.

The principal activity is that of a holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The parent Company's profit for the year was £11,341k (2021: loss - £7,730k).

The Parent Company has also taken advantage of the disclosure exemption available in FRS 102 and has therefore not presented its own individual Statement of Cash Flows

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

VB TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.3 Going concern

The ongoing investment in the new Ash Road investment is now nearing completion, with a new pancake line to be commissioned in early 2023. The group will then be consolidating cash generation to reduce net debt. All cash is managed on a group basis. Forecasts including cash flow have been prepared for the period to September 2024, which indicate the group will remain in a healthy position.

The £15m unsecured loan to VB Newco Limited was repaid on 10 February 2023. As disclosed in note 21 and note 30 the repayment was sourced by new unsecured loan notes from VB Newco Limited and from other shareholders and by a new £8m secured bank facility.

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. The directors therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

2.4 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 (either on delivery or dispatch of the goods depending on the contract), 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.

2.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred.

2.6 Government grants

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

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability within deferred income.

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

VB TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.7 Foreign currency translation

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.11 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

VB TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.12 Current and deferred 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 and deferred tax is charged or credited to 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.

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 the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

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 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.

2.13 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.

2.14 Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

2.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

VB TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.17 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

VB TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)**2.18 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, 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:

Depreciation is provided on the following basis:

Improvements to property	-	2% straight line
Plant and machinery	-	10% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	25% straight line

2.19 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.20 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

2.21 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.22 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

VB TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.23 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.24 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.25 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 when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include trade, group and other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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.

VB TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.25 Financial instruments (continued)

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 company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including group and other creditors, 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.

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

Derecognition of financial liabilities

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Fair value of loan instruments:

The directors have considered the fair value of the preferences shares and the loan note instruments as disclosed in Note 22 and 24. Management have considered the market rate of interest with reference to the 'internal rate of return' considered by the owners of the business in their portfolio of investments, which is deemed to be the most appropriate rate.

VB TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

4. Turnover

An analysis of turnover by class of business is as follows:

	Year ended 30 September 2022 £000	Period ended 30 September 2021 £000
Sale of bakery goods	69,136	33,762

All turnover arose within the United Kingdom.

5. Other operating income

	Year ended 30 September 2022 £000	Period ended 30 September 2021 £000
Government grants receivable	56	110

6. Operating loss

The operating loss is stated after charging:

	Year ended 30 September 2022 £000	Period ended 30 September 2021 £000
Depreciation charge	5,721	1,876
Amortisation charge	3,994	2,330
Operating leases	1,235	883

VB TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

7. Auditor's remuneration

During the year, the Group obtained the following services from the Company's auditor and its associates:

	Year ended 30 September 2022 £000	Period ended 30 September 2021 £000
Audit of the Company's financial statements	8	8
Audit of the subsidiary's financial statements	69	64
	<u> </u>	<u> </u>
Fees payable to the Group's auditor and its associates in respect of:		
Accounting services related to audit	12	12
	<u> </u>	<u> </u>

8. Employees

Staff costs were as follows:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Wages and salaries	17,805	8,270	-	-
Social security costs	1,584	723	-	-
Cost of defined contribution scheme	373	156	-	-
	<u>19,762</u>	<u>9,149</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	Year ended 30 September 2022 No.	Period ended 30 September 2021 No.
Directors	4	3
Administration and management	61	105
Production	638	518
	<u>703</u>	<u>626</u>

The Company has no employees other than the directors, who did not receive any remuneration (2021: £Nil).

VB TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

9. Directors' remuneration

	Year ended 30 September 2022 £000	Period ended 30 September 2021 £000
Directors' emoluments	843	343

The highest paid director received remuneration of £271k (2021: £144k).

10. Interest receivable

	Year ended 30 September 2022 £000	Period ended 30 September 2021 £000
Other interest receivable	2	-

11. Interest payable and similar expenses

	Year ended 30 September 2022 £000	Period ended 30 September 2021 £000
Finance cost	12,520	6,322

VB TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

12. Taxation

	Year ended 30 September 2022 £000	Period ended 30 September 2021 £000
Corporation tax		
Adjustments in respect of previous periods	(47)	-
Total current tax	<u>(47)</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	3,509	1,546
Tax losses carried forward	(3,901)	(1,299)
Adjustments in respect of prior periods	(220)	-
Change in corporation tax rate on brought forward balances	1,610	-
Total deferred tax	<u>998</u>	<u>247</u>
Taxation on profit on ordinary activities	<u>951</u>	<u>247</u>

VB TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

12. Taxation (continued)**Factors affecting tax charge for the year/period**

The tax assessed for the year/period is higher than (2021: *higher than*) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	Year ended 30 September 2022 £000	Period ended 30 September 2021 £000
Loss on ordinary activities before tax	(16,572)	(7,603)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2021: 19%)	(4,143)	(1,445)
Effects of:		
Tax effect of non deductibles	3,752	1,828
Tax effect of income not taxable	(1)	(82)
Other timing differences	-	(54)
Change in corporation tax on brought forward balances	1,610	-
Corporation tax adjustment in respect of prior periods	(47)	-
Deferred tax adjustments in respect of prior periods	(220)	-
Total tax charge for the year/period	951	247

Deferred tax has been provided at 25%, which is the expected rate when provisions begin to reverse.

13. Exceptional items

	Year ended 30 September 2022 £000	Period ended 30 September 2021 £000
Exceptional items	-	1,776

Exceptional items relate to costs incurred during the group restructure of the Village Bakery group and the acquisition of Erlass Black Wood No.2 Limited on 26 February 2021.

VB TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

14. Intangible assets**Group and Company**

	Software £000	Goodwill £000	Total £000
Cost			
At 1 October 2021	-	19,975	19,975
Additions	76	-	76
At 30 September 2022	76	19,975	20,051
Amortisation			
At 1 October 2021	-	2,330	2,330
Charge for the year	-	3,994	3,994
At 30 September 2022	-	6,324	6,324
Net book value			
At 30 September 2022	76	13,651	13,727
At 30 September 2021	-	17,645	17,645

VB TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

15. Tangible fixed assets

Group

	Improvement to property £000	Assets under construction £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation							
At 1 October 2021	11,755	4,850	52,747	1,085	4,966	433	75,836
Additions	-	15,484	-	-	-	-	15,484
Disposals	-	-	-	(28)	-	-	(28)
Capitalisation	60	(18,744)	16,139	125	2,399	21	-
At 30 September 2022	11,815	1,590	68,886	1,182	7,365	454	91,292
Depreciation							
At 1 October 2021	46	-	15,181	761	196	193	16,377
Charge for the period	299	-	3,954	94	1,304	70	5,721
Disposals	-	-	-	(28)	-	-	(28)
At 30 September 2022	345	-	19,135	827	1,500	263	22,070
Net book value							
At 30 September 2022	11,470	1,590	49,751	355	5,865	191	69,222
At 30 September 2021	11,709	4,850	37,566	324	4,770	240	59,459

The company had no tangible fixed assets in current or prior year.

VB TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

16. Fixed asset investments**Company**

	Investments in subsidiary companies £000
Cost or valuation	
At 1 October 2021	62,738
At 30 September 2022	62,738
Net book value	
At 30 September 2022	62,738
At 30 September 2021	62,738

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Village Puddin's 'N Pies Limited*	DTM Legal LLP Archway House, Station Road, Chester, England, CH1 3DR	Ordinary	100%
Erlas Black Wood No 2 Limited	DTM Legal LLP Archway House, Station Road, Chester, England, CH1 3DR	Ordinary	100%
Village Bakery Group Limited*	DTM Legal LLP Archway House, Station Road, Chester, England, CH1 3DR	Ordinary	100%
The Village Bakery (Coedpoeth) Group Limited*	DTM Legal LLP Archway House, Station Road, Chester, England, CH1 3DR	Ordinary	100%
Village Bakery (Holdings) Limited	DTM Legal LLP Archway House, Station Road, Chester, England, CH1 3DR	Ordinary	100%
The Village Bakery (Coedpoeth) Limited*	DTM Legal LLP Archway House, Station Road, Chester, England, CH1 3DR	Ordinary	100%

VB TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

16. Fixed asset investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Class of shares	Holding
The Village Bakery (Nutrition) Limited*	DTM Legal LLP Archway House, Station Road, Chester, England, CH1 3DR	Ordinary	100%
The Village Bakery (Wrexham) Limited	DTM Legal LLP Archway House, Station Road, Chester, England, CH1 3DR	Ordinary	100%

*These companies are entitled to and have taken advantage of the exemption from audit available under 479A of the Companies Act 2006 relating to subsidiary companies. In order for the subsidiary to claim this exemption, the parent company must guarantee all outstanding liabilities that the subsidiary is subject to at the year end under S479A. Accordingly, VB Topco Limited has guaranteed all outstanding liabilities that these companies were subject to as at 30 September 2022.

17. Stocks

	Group 2022 £000	<i>Group 2021 £000</i>
Raw materials and consumables	3,456	<i>2,057</i>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

18. Debtors

	Group 2022 £000	<i>Group 2021 £000</i>	Company 2022 £000	<i>Company 2021 £000</i>
Trade debtors	7,733	<i>4,949</i>	-	-
Prepayments and accrued income	1,896	<i>1,371</i>	75	-
Tax recoverable	430	<i>1,721</i>	26	-
Deferred taxation	-	-	605	<i>148</i>
	10,059	<i>8,041</i>	706	<i>148</i>

VB TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

19. Cash and cash equivalents

	Group 2022 £000	<i>Group 2021 £000</i>
Cash at bank and in hand	4,059	7,501

20. Creditors: Amounts falling due within one year

	Group 2022 £000	<i>Group As restated 2021 £000</i>	Company 2022 £000	<i>Company As restated 2021 £000</i>
Finance lease liability	6,432	4,353	-	-
Loans	18,519	15,440	18,519	15,440
Trade creditors	7,550	4,175	566	453
Amounts owed to group undertakings	-	-	419	467
Other taxation and social security	898	380	-	-
Other creditors	1,456	997	-	-
Accruals and deferred income	3,379	3,257	(14)	77
	38,234	28,602	19,490	16,437

21. Creditors: Amounts falling due after more than one year

	Group 2022 £000	<i>Group As restated 2021 £000</i>	Company 2022 £000	<i>Company As restated 2021 £000</i>
Finance lease liability	18,241	14,343	-	-
Loans	43,028	35,875	43,028	35,875
Government grants received	58	114	-	-
Share capital treated as debt	12,228	10,535	12,228	10,535
	73,555	60,867	55,256	46,410

VB TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

21. Creditors: Amounts falling due after more than one year (continued)

Disclosure of the terms and conditions attached to the non-equity shares is made in note 23.

Finance lease liability relates to various hire purchase agreements with HSBC, each being 60 months with interest charged at margins above base rate which range from 1.9% - 2.03%.

Loans consist of three loan notes:

- a £15m unsecured loan note to VB Newco Limited, was redeemed on 10 February 2023 (note 30). A redemption premium of £5m is also payable in addition to principal. This is a non-basic financial instrument, measured at fair value through profit and loss and at the year end is measured at £18.52m (2021: £15.44m).

- £16.00m of unsecured loan notes payable to VB Newco Limited. Interest is accrued at a compound rate of 10% and is expected to be paid upon redemption. The loans will be repaid at the earlier of 26 February 2029 or the exit date of VB Newco Limited as an investor. This is a non-basic financial instrument, measured at fair value through profit and loss and at the year end is measured at £15.06m (2021: £12.56m).

- £29.71m of unsecured loan notes payable to 'founders' (being shareholders). Interest is accrued at a compound rate of 10% and is expected to be paid upon redemption. The loans will be repaid at the earlier of 26 February 2029 or the exit date of the founders as investors. This is a non-basic financial instrument, measured at fair value through profit and loss and at the year end is measured at £27.97m (2021: £23.2m).

In calculating the fair value of these instruments the directors have exercised judgement in assessing the market rate of interest.

22. Loans

	Group	<i>Group As restated</i>	Company	<i>Company As restated</i>
	2022	2021	2022	2021
	£000	£000	£000	£000
Amounts falling due within one year				
Finance lease liability	6,432	4,353	-	-
Other loans	18,519	15,440	18,519	15,440
Amounts falling due 1-2 years				
Finance lease liability	6,432	4,306	-	-
Amounts falling due 2-5 years				
Finance lease liability	11,809	10,038	-	-
Other loans	43,028	35,875	43,028	35,875
	86,220	70,012	61,547	51,315

VB TOPCO LIMITED

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FOR THE YEAR ENDED 30 SEPTEMBER 2022**

23. Financial instruments

	Group 2022 £000	<i>Group 2021 £000</i>	Company 2022 £000	<i>Company 2021 £000</i>
Financial liabilities				
Financial liabilities measured at fair value through profit or loss	73,775	<i>61,850</i>	-	<i>61,850</i>

Financial liabilities measured at fair value through profit and loss are those classed as non basic, being 'Loan note A', 'Loan note B', the 'Senior bridge loan' and preference shares classified as debt.

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24. Share capital

	2022	2021
	£000	£000
Allotted, called up and fully paid		
315,000 A Preferred shares of £0.01 each	-	-
585,000 B Ordinary shares of £0.01 each	6	6
30,000 C Ordinary shares of £0.01 each	-	-
Share Premium	7,763	7,763
	<u>7,769</u>	<u>7,769</u>
	2022	2021
	£000	£000
Shares classified as debt		
315,000 A Preferred shares of £0.01 each	<u>12,228</u>	<u>10,535</u>

In the prior period the following shares were issued:

314,999 A preference shares of £0.01 were issued for £4,000,000.

585,000 B ordinary shares of £0.01 were issued for £7,428,600.

30,000 C ordinary shares of £0.01 were issued for £300.

This created a share premium of £11,419,600.

There have been no further issues in 2022.

In accordance with the provisions of FRS 102, the preference shares, which carry a contractual liability to a dividend, have been classified as compound instruments. The debt element has been calculated based on forecast future dividend cash flows discounted to present value, giving rise to an equity adjustment of £2,751,000 (2021: £9,477,000).

As a result of the adjustments to debt from equity, due to preference shares being a compound instrument, the share premium in 2021 reduced to £7,762,560. There has been no corresponding reduction in 2022.

Holders of A Preferred shares and B Ordinary shares carry the right to attend, speak and vote at all general meetings of the Company. Each A Preferred shareholder has 2 votes per share and B shareholders have one vote per share.

C Ordinary shareholders do not have the right to attend, speak or vote at any of the general meetings of the Company.

A Preference shares attract an annual dividend of 75% of the issued share price, including premium. This equates to £3m per annum.

VB TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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25. Deferred taxation**Group**

	2022	2021
	£000	£000
At beginning of year/period	(5,315)	-
Charged to profit or loss	613	(247)
Arising on business combinations	-	(5,068)
Change in corporation tax rate on brought forward balances	(1,610)	-
At end of year/period	(6,312)	(5,315)

Company

	2022	2021
	£000	£000
At beginning of year/period	148	-
Charged to profit or loss	457	148
At end of year/period	605	148

	Group	<i>Group</i>	Company	<i>Company</i>
	2022	<i>2021</i>	2022	<i>2021</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Accelerated capital allowances	(11,642)	(7,270)	-	-
Tax losses carried forward	5,330	1,955	605	148
	(6,312)	<i>(5,315)</i>	605	<i>148</i>

26. Reserves**Profit and loss account**

Includes all current & prior periods retained profits & losses.

VB TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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27. Analysis of net debt

	At 1 October 2021 £000	Cash flows £000	Other non- cash changes £000	At 30 September 2022 £000
Cash	7,501	(3,442)	-	4,059
Finance lease liability due in less than one year	(4,353)	(2,079)	-	(6,432)
Finance lease liability due after one year	(14,343)	(3,898)	-	(18,241)
Loans due after one year	(61,850)	-	(11,925)	(73,775)
	<u>(73,045)</u>	<u>(9,419)</u>	<u>(11,925)</u>	<u>(94,389)</u>

28. Prior year adjustment

The directors have reclassified certain comparative information relating to finance lease liability in order to present these consistently with the current year therefore the restatement is presentational only.

Group

	2021 £000	Adjustments £000	2021 (restated) £000
Loans due within one year	-	15,440	15,440
Loans due after more than one year	51,315	(15,440)	35,875
Net current assets/(liabilities)	<u>4,437</u>	<u>(15,440)</u>	<u>(11,003)</u>

Company

	2021 £000	Adjustments £000	2021 (restated) £000
Loans due within one year	-	15,440	15,440
Loans due after more than one year	51,315	(15,440)	35,875
Net current assets/(liabilities)	<u>(849)</u>	<u>(15,440)</u>	<u>(16,289)</u>
	<u>50,466</u>	<u>(15,440)</u>	<u>35,026</u>

29. Related party transactions

During the year there was rent paid of £1,165k (2021: £688k) to entities under common control. At the 30 September 2022 £Nil (2021: £Nil) was held in accruals and £29k (2021: £222k) was held in prepayments.

VB TOPCO LIMITED

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30. Post balance sheet events

The £15m unsecured loan and a £5m redemption premium to VB Newco Limited was repaid on 10 February 2023. The repayment was sourced by new unsecured loan notes from VB Newco Limited, new unsecured loan notes from other shareholders and by a new £8m secured bank facility.

31. Controlling party

The immediate parent of VB Topco Limited is VB Newco Limited, registered address, Warwick House, 25-27 Buckingham Palace Road, London, SW1W 0PP.

No consolidation is performed at VB Newco and therefore this is the largest and smallest consolidation that these results are included.

The ultimate controlling party is Limerston Capital Partners I, L.P.