

The Harts Corner Natural Sausage Company Limited

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Registered No: 02779673

## **The Harts Corner Natural Sausage Company Limited**

### **Report and Financial Statements**

28 March 2020





## The Harts Corner Natural Sausage Company Limited

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Registered No: 02779673

### Company information

#### Directors

M T P Davey  
J M Bottomley

#### Secretary

S G Glover

#### Registered office

Crane Court  
Hesslewood Country Office Park  
Ferriby Road  
Hessle  
East Yorkshire  
HU13 0PA

#### Independent Auditors

PricewaterhouseCoopers LLP  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL

#### Bankers

Lloyds Bank plc  
15 Market Place  
Driffield  
East Yorkshire  
YO24 6AH

#### Solicitors

Rollits  
Citadel House  
High Street  
Hull  
HU1 1QE

## Strategic report

The directors present their strategic report and the financial statements for the 52 week period ended 28 March 2020.

### Principal activities and review of the business

The principal activity of the Company during the period was as an investment parent undertaking and will continue as such for the foreseeable future. The trading activity of the subsidiary undertaking during the period was primary pig processing.

### Results and dividends

The profit for the 52 week period after taxation amounted to £1,035,000 (2019 – profit of £925,000). Ordinary dividends of £1,035,000 (2019 – £925,000) were paid during the period. The directors have recommended a final dividend of £1,659,000 (2019 – £nil). The net asset position at the period end was £nil (2019: £nil).

### Key performance indicators (KPIs)

As the Company did not have any trading activity during the period, the Directors have not used KPIs to assess the performance of the Company.

### Section 172(1) Statement

Section 172 of The Companies Act 2006 states that a director of a company must act in a way it considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. The likely consequences of any decision in the long term;
- b. The interests of the company's employees;
- c. The need to foster the company's business relationship with suppliers, customers and others;
- d. The impact of the company's operations on the community and the environment;
- e. The desirability of the company maintaining a reputation for higher standard of business conduct, and
- f. The need to act fairly as between members of the company.

Cranswick plc manages the operations of all subsidiaries at a Group level. However, the Group board delegates some of the day to day responsibilities down to sub boards which meet on a regular basis and have regular interaction with Group Executive Directors. In addition, Executive Directors of the Cranswick Group are Directors of this subsidiary.

As a Group our Group Board continually assesses current performance against the backdrop of the implications and opportunities for the business in the future. Annual budgets and longer term plans are developed for all areas of the Group to ensure that the company is moving in the right direction. Monthly preparation and review of Key Performance Indicators ensures that it is on course to meet its long-term objectives.

We continue to uphold the highest standards of conduct and make decisions for the long-term success of the business. We understand that our long-term growth and success are dependent on how we engage with our stakeholders. We value regular interaction with them to ensure we can consider their views and interests when making decisions. We continually explore how to make our decision-making process more inclusive in order to involve our key stakeholders.

Our decision making process through the recent pandemic is one of many examples where we consider all stakeholders. The impact of COVID-19 has been widespread and we consider all our stakeholders and have consulted with them as we continue to feed the nation.

Our dedicated colleagues drive our business, so it is important that we understand what matters to them. We engage with them through a variety of forums.

## Strategic report

We work to ensure we are responsible neighbours and as a Group seek to give back wherever possible. We have involved ourselves in a number of projects across our group to provide sponsorship, education mentoring and employment to those who need it in our local communities.

Sustainability is a key priority for us; our Second Nature strategy is at the forefront of every decision we make as we care about the impact of our business on the community and environment.

For details of how the Company engages with its stakeholders and stakeholder interests please refer to the table in the Directors' report pages 7-9.

### Principal risks and uncertainties

Risks are managed on a Group basis. Strategic, financial, commercial and operational risks are all considered in establishing and maintaining the Company's control environment, which is designed to manage rather than eliminate the risk of failure to achieve business objectives. Therefore, the controls can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Cranswick Group Risk Committee, which includes representatives from key operations and functions across the business, aims to identify and assess the impact of risks facing the business as well as understand the controls in place to mitigate them. The principal risks and uncertainties faced by the Company were identified as raw material prices, consumer demand, and competitor activity, reliance on key customers, business continuity and legislation.

At the current time it is not believed any of these risks are likely to have a significant impact on the short or long-term value of the Company.

Over the course of 2020 the Group undertook comprehensive Brexit planning and implemented a number of new processes and controls to mitigate the effect any new trading rules would have on the business and these are now operational. As a result of the Free Trade Agreement, which was signed in December 2020 between the UK Government and EU Commission, it is pleasing to note that the financial risks associated with the potential imposition of tariffs and quota restrictions have now diminished.

Going forward, the Group has a dedicated and experienced Customs Team in place who continue to respond to emerging trading rule developments whilst ensuring that existing processes / controls remain robust. In addition, the Group has a well-established issue escalation process via the Group's Brexit Taskforce, which is made up of key internal stakeholders and who continue to meet regularly to review Brexit related risks and the effectiveness of the implemented controls.

Overall, the Group considers that outstanding risks associated with Brexit are being effectively identified and addressed.

Given the timing of the virus outbreak in the UK, the Company's results to 28 March 2020 have not been materially impacted by Covid-19. The directors have assessed the potential risks to the business and its employees as a result of the virus and believe reasonable steps have been taken to ensure the business is able to continue operating in line with Government regulations. The directors have monitored the trading performance of the business since the period end and have not detected any material downturn as a result of the virus. The directors do not see a material risk to trading of any future, additional, Government restrictions given the industry the company operates within and its customer profile. As such, they consider it is still appropriate to prepare the financial statements on a going concern basis.

## Strategic report

### Financial instruments and risk management

#### *Liquidity risk*

The Group has historically been very cash-generative. The bank position for each site is monitored on a daily basis and capital expenditure is approved at local management meetings at which members of the main Board are present and reported at the subsequent monthly main Board meeting. Major projects, in excess of £1 million (increased to £2 million from January 2020) are approved by the main Board. Each part of the Group has access to the Group's overdraft facility and all term debt is arranged centrally. The Group has a bank facility made up of a revolving credit facility of £160.0 million including a committed overdraft facility of £20.0 million until November 2022. The facility also includes an accordion feature which allows an additional £40 million to be drawn down on the same terms at any point during the term of the facility. This was extended during 2018/19 to November 2023 (by way of a reduced credit facility of £120.0 million from November 2022) including a committed overdraft facility of £20.0 million and in December 2019 by two additional short term 1-year facilities of £20 million each. The Group manages the utilisation of the revolving credit facility through the monitoring of monthly consolidated cash flow projections and the daily borrowings position. The current arrangement provides the Group with reduced liquidity risk and medium-term funding to meet its objectives. The unutilised element of the facility at 28 March 2020 was £95.2 million (2019: £134.4 million).

By order of the Board



Steven Glover  
Company Secretary  
18 February 2021

## Directors' report

The directors present their report together with the financial statements of the Company for the 52 week period ended 28 March 2020.

### Principal activity and future developments

The Company is a holding company and does not itself trade. The directors do not foresee any change in that status.

### Results and dividends

The profit for the 52 week period after taxation amounted to £1,035,000 (2019 – profit of £925,000). Ordinary dividends of £1,035,000 (2019 – £925,000) were paid during the period. The directors have recommended a final dividend of £1,659,000 (2019 – £nil). The net asset position at the period end was £nil (2019: £nil).

### Going concern

In view of the net current liabilities position the parent undertaking has agreed to provide adequate funding to fund the Company's operations for at least the next twelve months.

The Company, as part of the Cranswick plc Group, has access to considerable financial resources together with strong, long standing relationships with its customers and suppliers. In providing this letter of support, the Group have considered their own funding requirements, access to financial resources, including an assessment of severe but plausible downside as a result of the pandemic and have confirmed they are in a position to provide this support. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully.

Given the timing of the virus outbreak in the UK, the Company's results to 28 March 2020 have not been materially impacted by Covid-19. The directors have assessed the potential risks to the business and its employees as a result of the virus and believe reasonable steps have been taken to ensure the business is able to continue operating in line with Government regulations. The directors have monitored the trading performance of the business since the period end and have not detected any material downturn as a result of the virus. The directors do not see a material risk to trading of any future, additional, Government restrictions given the industry the company operates within and its customer profile. As such, they consider it is still appropriate to prepare the financial statements on a going concern basis.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue to meet its debts as they fall due for a period of at least twelve months from the date of signing the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

### Directors

The directors who served the Company during the period, and up to the date of approval of these financial statements, were as follows:

M T P Davey  
J M Bottomley

## Directors' report

### Qualifying third party indemnity provisions

The Company has in place directors' and officers' liability insurance which gives appropriate cover against the costs of defending themselves in civil proceedings taken against them in their capacity as a director or officer of the Company and in respect of damages resulting from any unsuccessful defence of any proceedings. The insurance has been in place throughout the period and continues to be in place up to the date of signing of the financial statements.

### Financial risk management

Financial risk management of the Company is discussed in the strategic report.

### Stakeholder Engagement

As referred to on page 2 of the Strategic report Cranswick plc manages the operations of all subsidiaries at a Group level with delegation of certain responsibilities to sub boards and regular interaction between subsidiary directors and senior managers with Group Executives.

As a Group, we understand that our long term success is dependent upon engagement with our stakeholders. We value regular interaction to ensure we can consider their views and interests when making decisions. Engagement with our main stakeholder groups is summarised as follows.

Stakeholder	Why we engage	How we engage	What matters most to our stakeholders	How we are responding	COVID-19 specific considerations
Our People	<p>Our dedicated colleagues drive our business so it's important to understand what matters to them.</p> <p>We want our colleagues to feel valued so we can achieve our purpose together.</p>	<ul style="list-style-type: none"> <li>• Staff survey</li> <li>• "Flavour" intranet site and newsletter</li> <li>• Appraisal process</li> <li>• Works councils</li> <li>• Dedicated Non-Executive Director</li> </ul>	<p>Employee wellbeing matters most, encompassing mental and physical health, happiness and job satisfaction.</p> <p>Opportunities for career and personal development are very important along with the chance to learn new skills.</p> <p>Our colleagues appreciate the opportunity to have their say and share ideas. They also care about working in an inclusive and diverse environment.</p>	<p>More employees are enrolled on management and leadership courses each year to ensure career and personal development.</p> <p>Our employee engagement scores on the staff survey increased by three per cent this period, with particular areas of note being employee wellbeing and Second Nature awareness.</p> <p>'You Said, We Did' boards have been installed at all sites to share the actions following the staff survey.</p>	<ul style="list-style-type: none"> <li>• Relocating employees to avoid furlough</li> <li>• Employee bonuses</li> <li>• Working from home</li> <li>• Social distancing</li> <li>• Additional PPE</li> </ul>
Customers & Consumers	<p>We need to understand consumer demands in order to create innovative products and respond to new trends.</p> <p>We can assess consumer satisfaction through regular engagement and ensure our products are of the highest quality.</p> <p>By engaging and sharing ideas with customers we can identify new ways of working together.</p>	<ul style="list-style-type: none"> <li>• Key teams such as product development, technical, agricultural and sales will all engage with customers to ensure communications are all encompassing</li> <li>• Site tours and visits</li> <li>• Online surveys</li> <li>• In store interviews</li> <li>• Focus groups</li> </ul>	<p>Consumer trends research highlights that choices continue to be dominated by health-conscious options, convenience and premium products.</p> <p>Sustainability is also an important consideration as consumers focus on the overall impact of their food choices on the environment including minimising waste, food integrity and recycling packaging.</p>	<p>During the period we launched our 'Your Plate, Your Choice' campaign on social media, highlighting the nutritional benefits of eating meat. We aim to de-polarise the plant versus meat debate and present a balanced perspective.</p> <p>The Group continues to focus on new product development to address emerging consumer trends.</p> <p>We aim to meet sustainability expectations through our</p>	<ul style="list-style-type: none"> <li>• Working closely with retail customers to meet surges in demand</li> </ul>

## Directors' report

		<ul style="list-style-type: none"> <li>Digital platforms and social media</li> </ul>		<p>Second Nature efforts. We launched the microsite, <a href="https://thisissecondnature.co.uk">thisissecondnature.co.uk</a> to increase communication in this area.</p>	
<b>Producers &amp; Suppliers</b>	<p>By working closely with suppliers who share our values and beliefs, we can focus on food safety, technical integrity, provenance and ultimately produce high quality products.</p>	<ul style="list-style-type: none"> <li>Industry events and forums</li> <li>Sedex</li> <li>Audits and visits</li> <li>Supplier surveys</li> <li>Supplier policies</li> </ul>	<p>Suppliers want continual improvement with opportunities to innovate, grow their business and develop our relationship.</p> <p>We need to ensure raw materials, ingredients and packaging are supplied at the right time, to the right place and that the supply chain is transparent and sustainable.</p>	<p>Cranswick's drive for continual improvement has seen our teams develop new risk assessments of suppliers for allergens, gluten-free and product specification.</p> <p>All our direct suppliers are registered on Sedex.</p> <p>We continue to undertake supplier audits to ensure the safety, traceability, quality and provenance of the raw materials and ingredients we use.</p>	<ul style="list-style-type: none"> <li>Optimising production to maximise output</li> <li>Support where needed</li> <li>Rationalisation of ranges</li> </ul>
<b>NGOs</b>	<p>We work with various non-governmental organisations (NGOs) including Agricultural and Horticultural Development Board (AHDB), British Poultry Council (BPC), WRAP (Waste and Resource Action Programme), Red Tractor and RSPCA. This allows us to help set policies and improve industry standards.</p>	<ul style="list-style-type: none"> <li>Cranswick Directors and Managers sit on steering committees, groups and boards</li> <li>Trial new standards</li> <li>Industry events</li> <li>Digital platforms and social media to share important information</li> </ul>	<p>AHDB encourages pork consumption and helps shape policies for pig farming. BPC sets policies for the poultry industry. WRAP is focused on sustainability and manages initiatives such as The Plastics Pact. Red Tractor provides assurance that products are traceable, safe and farmed with care and the RSPCA certifies higher welfare farming systems.</p>	<p>During the period we have contributed towards setting policies that help to direct the future of the pork and poultry industries. This included for example introducing new in shed hatching at the Group's poultry farms where we then brought about a change in standards to allow the process to be adopted by others in the industry.</p>	<ul style="list-style-type: none"> <li>Remote support to avoid face-to-face meetings</li> </ul>
<b>Communities</b>	<p>The Group produces from 16 facilities across the UK covering multiple towns and cities. We want to be responsible neighbours and give back where possible.</p>	<ul style="list-style-type: none"> <li>Foodbank donations</li> <li>Working with local schools and Universities</li> <li>Involvement in local projects</li> <li>Farm open days and Norfolk Pork Stock festival</li> <li>Charity fundraising</li> </ul>	<p>Local communities have a justifiable expectation that businesses operate safely and sustainably. This is especially the case with food producers; there is a need to reduce edible food waste to increase the amount of food that can be shared through the community.</p>	<p>We have partnered with a number of organisations such as Fareshare, through which we can feed people in need and tackle food poverty.</p> <p>We have also involved ourselves in a number of projects to provide sponsorship, education, mentoring and employment to those who need it in our communities.</p>	<ul style="list-style-type: none"> <li>Additional food donations</li> <li>Meals for NHS workers</li> </ul>
<b>Shareholders</b>	<p>Our reporting should be fair, balanced and understandable.</p>	<ul style="list-style-type: none"> <li>Presentations</li> <li>One-to-one meetings</li> <li>Annual report</li> </ul>	<p>Shareholders are increasingly concerned with environmental, social and corporate governance (ESG)</p>	<p>We have increased our engagement on ESG matters and ensure we</p>	<ul style="list-style-type: none"> <li>Conservative cash management</li> <li>Maintain dividend policy</li> <li>Regular dialogue</li> </ul>



## Directors' report

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We want shareholders to understand and believe in our purpose and strategy so we can demonstrate how we create value.	<ul style="list-style-type: none"><li>• Regular announcements and press releases</li><li>• Visits to facilities</li><li>• AGM</li><li>• Website</li></ul>	matters and we continue to receive more enquiries relating to sustainability. Financial performance and commercial success are also key considerations for our shareholders.	respond to enquiries we receive on this area. We provide results announcements and press releases to ensure all Shareholders remain up to date with our performance and results.
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### Independent auditors

A resolution to appoint PricewaterhouseCoopers LLP as independent external auditors was proposed at the Annual General Meeting and they were reappointed.

### Statement of directors' responsibilities in respect of the financial statements

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

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

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

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

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

## Directors' report

### Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



Steven Glover  
Company Secretary  
18 February 2021

## **Independent auditors' report to the members of The Harts Corner Natural Sausage Company Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, The Harts Corner Natural Sausage Company Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 28 March 2020 and of its profit for the 52 week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 28 March 2020; the profit and loss account and the statement of changes in equity for the 52 week period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

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

#### **Independence**

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

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

#### **Reporting on other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

## **Independent auditors' report to the members of The Harts Corner Natural Sausage Company Limited**

financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### ***Strategic Report and Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 28 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

### **Responsibilities for the financial statements and the audit**

#### ***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 9, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### ***Auditors' responsibilities for the audit of the financial statements***

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

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

## **Independent auditors' report to the members of The Harts Corner Natural Sausage Company Limited**

### ***Use of this report***

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

### **Other required reporting**

#### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



Rachel Greveson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Leeds  
18 February 2021

## Profit and Loss Account

for the 52 week period ended 28 March 2020

		2020	2019
	Note	£'000	Restated* £'000
<b>Turnover</b>		-	-
Cost of sales		-	-
<b>Gross result</b>		-	-
Income from shares in group undertakings		1,035	925
<b>Operating profit and profit before taxation</b>		1,035	925
Tax on profit	6	-	-
<b>Profit for the financial period</b>		1,035	925

All amounts relate to activities which ceased at the end of the prior period.

There is no other comprehensive income other than the profit of the Company of £1,035,000 in the 52 week period ended 28 March 2020 (30 March 2019 – profit of £925,000).

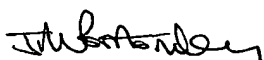
\*See note 2

## Balance sheet

at 28 March 2020

	Note	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Investments	8	14,794	14,794
<b>Current assets</b>			
Debtors	9	3,353	3,353
<b>Creditors:</b> amounts falling due within one year	10	(18,147)	(18,147)
<b>Net current liabilities</b>		(14,794)	(14,794)
<b>Net assets/Total assets less current liabilities</b>		-	-
<b>Capital and reserves</b>			
Called up share capital	11	-	-
<b>Total shareholders' funds</b>		-	-

The financial statements on pages 14 to 21 were approved and authorised for issue by the Board of Directors on 18 February 2021 and signed on its behalf by:



J M Bottomley  
Director  
18 February 2021

## Statement of changes in equity

for the period ended 28 March 2020

	Called-up share capital £'000	Profit and loss account restated £'000	Total share- holders' funds restated £'000
At 1 April 2018	-	-	-
Profit for the period	-	925	925
Dividends paid	-	(925)	(925)
At 30 March 2019 and 31 March 2019	-	-	-
Profit for the period	-	1,035	1035
Dividends paid	-	(1,035)	(1,035)
At 28 March 2020	-	-	-

## Notes to the financial statements

for the 52 weeks ended 28 March 2020

### 1. Authorisation of financial statements and statement of compliance with FRS101

The financial statements of The Harts Corner Natural Sausage Company Limited (the "Company") for the 52 week period ended 28 March 2020 were authorised for issue by the board of directors on 18 February 2021 and the balance sheet was signed on the board's behalf by J M Bottomley. The Harts Corner Natural Sausage Company Limited is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Crane Court, Hesslewood Country Office Park, Ferriby Road, Hessle, East Yorkshire, HU13 0PA.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101) and in accordance with applicable accounting standards.

The financial statements of the Company are prepared to the Saturday nearest to 31 March. Accordingly, these financial statements are prepared for the 52 week period ended 28 March 2020. Comparatives are for the 52 week period ended 30 March 2019. The balance sheets for 2020 and 2019 have been prepared as at 28 March 2020 and 30 March 2019 respectively.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except where otherwise indicated.

### 2. Accounting policies

#### Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the 52 week period ended 28 March 2020. The financial statements of the Company have been prepared under FRS 101 and in accordance with the Companies Act 2006 as applicable to companies using FRS 101 under the historic cost convention modified by revaluation of financial assets and liabilities held at their fair value through profit and loss. The accounting policies have been applied consistently, other than where new policies have been adopted. The financial statements have been prepared on a going concern basis. The Company has taken advantage of the following disclosure exemptions under FRS 101 as, where required, equivalent disclosures are included in the parent company's consolidated financial statements:

- (a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment because the share based payment arrangement concerns the instruments of another group entity;
- (b) the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- (c) the requirements of IFRS 7 Financial Instruments: Disclosures
- (d) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- (e) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1;
  - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - (iii) paragraph 118(e) of IAS 38 Intangible Assets;
  - (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property; and
  - (v) paragraph 50 of IAS 41 Agriculture
- (f) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- (g) the requirements of IAS 7 Statement of Cash Flows;
- (h) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (i) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- (j) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;



## Notes to the financial statements

for the 52 weeks ended 28 March 2020

### 2. Accounting policies (continued)

- (k) the requirements of paragraphs 134(d)- 134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets; and
- (l) the effects of new but not yet effective International Financial Reporting Standards.

#### Prior year adjustment

Prior year accounts have been restated to include the dividend received and paid in the year, this was recognised in the prior year financial statements due to the fact that dividends are settled net, but the legal form is flow through.

The impact of the restatement is to recognise both dividends received, and dividends paid of £925,000 in the previous period. As a result, the profit and loss account recognises the dividend received and the statement of changes in equity now reflects the dividend received and paid in the prior period. There is no change to the balance sheet. The dividend note has been restated to recognise dividends paid.

#### Judgements and key sources of estimation uncertainty

The preparation of financial statements can require management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Management has not been required to make any judgements or estimates that have a significant risk of causing material adjustment to carrying amounts in the next 12 months.

#### Going concern

As the parent undertaking, and in view of the net current liabilities position, Cranswick plc has agreed to provide adequate funding to fund the Company's operations for at least twelve months from the date of approval of these financial statements.

The Company, as part of the Cranswick plc Group, has access to considerable financial resources. In providing this letter of support, the Group have considered their own funding requirements, access to financial resources, including an assessment of severe but plausible downside as a result of the pandemic and have confirmed they are in a position to provide this support. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully.

Given the timing of the virus outbreak in the UK, the Company's results to 28 March 2020 have not been materially impacted by Covid-19. The directors have assessed the potential risks to the business and its employees as a result of the virus and believe reasonable steps have been taken to ensure the business is able to continue operating in line with Government regulations. The directors have monitored the trading performance of the business since the period end and have not detected any material downturn as a result of the virus. The directors do not see a material risk to trading of any future, additional, Government restrictions given the industry the company operates within and its customer profile. As such, they consider it is still appropriate to prepare the financial statements on a going concern basis.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue to meet its debts as they fall due at least for a period of twelve months from the date of signing the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

## Notes to the financial statements

for the 52 weeks ended 28 March 2020

### 2. Accounting policies (continued)

#### Group financial statements

The Company is exempt from the requirement to present group financial statements under section 400 of the Companies Act 2006 and accordingly the financial statements present information about the Company as an individual undertaking and not about its group. The financial statements have been included in the Group financial statements of its ultimate parent undertaking, Cranswick plc.

#### Dividends

Dividends payable by the Company are recognised by the Company when declared and therefore final dividends proposed after the balance sheet dates are not recognised as a liability at the balance sheet date.

#### Investments

Fixed asset investments are stated at cost less any provisions necessary for diminution in value. The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. Deferred tax is provided on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- i) except where the deferred income tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- ii) in respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised:

- i) except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- ii) in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income taxes relating to items recognised in other comprehensive income or directly in equity are also recognised in other comprehensive income or directly in equity and not in the profit and loss account. Otherwise income tax is recognised in the profit and loss account.

## Notes to the financial statements

for the 52 weeks ended 28 March 2020

### 2. Accounting policies (continued)

#### Financial assets

Basic financial assets, which include trade debtors, are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due.

#### Financial liabilities

Financial liabilities, which include creditors, are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Creditors are presented as amounts falling due within one year unless payment is not due within 12 months after the reporting period.

### 3. Auditors' remuneration

Auditors' remuneration of £1,000 (2019: £1,000) has been allocated to the entity by the Group. The expense has been borne by another Group Company.

### 4. Directors' remuneration

The directors of the Company were paid by the ultimate parent undertaking and fellow subsidiary companies. The directors received total remuneration for the period, in relation to their qualifying services to the Cranswick plc Group as a whole of £1,605,000 (2019 – £1,155,000), of which £nil (2019 – £nil) was paid by this company. The directors do not believe it is practicable to apportion their total remuneration between their services as directors of the Company and as directors of the holding and fellow subsidiary companies.

### 5. Staff costs

There were no active employees of the Company during either period.

### 6. Tax

Given there was no trade in the period no tax has been paid in the period.

## Notes to the financial statements

for the 52 weeks ended 28 March 2020

### 7. Dividend

	2020	2019
	Restated*	
	£'000	£'000
<b>Declared and paid during the period</b>		
Equity dividends on ordinary shares	1,035	925

\* Prior year accounts have been restated to include the dividend received and paid in the year, this was recognised in the prior year financial statements due to the fact that dividends are settled net, but the legal form is flow through.

The impact of the restatement is to recognise both dividends received, and dividends paid of £925,000 in the previous period. As a result, the profit and loss account recognises the dividend received and the statement of changes in equity now reflects the dividend received and paid in the prior period. There is no change to the balance sheet. The dividend note has been restated to recognise dividends paid.

### 8. Investments

	Shares in Group companies
	£'000
Cost:	
At 30 March 2019 and 28 March 2020	14,794

Details of the investments are as follows:

Name	Holding	Country of domicile	Business	Registered office
Cranswick Gourmet Sausage Company Limited	50%	England and Wales	Non-trading	Crane Court, Hesselwood Country Office Park, Ferriby Road, Hessle, East Yorkshire, HU13 0PA
Cranswick Country Foods (Ballymena)	100%	Northern Ireland	Manufacture of pork products	166 Fenaghy Road, Cullybackey, County Antrim, BT42 1EA

### 9. Debtors

	2020	2019
	£'000	£'000
Amounts owed by Group undertakings	3,353	3,353

Amounts owed by Group undertakings are repayable on demand and have no fixed repayment date.

## Notes to the financial statements

for the 52 weeks ended 28 March 2020

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

	2020 £'000	2019 £'000
Amounts owed to Group undertakings	18,147	18,147

Amounts owed to Group undertakings are repayable on demand and have no fixed repayment date. Interest is charged on intercompany loans at base rate +1.2%.

### 11. Called-up share capital

	Authorised	
	2020 £'000	2019 £'000
Ordinary shares of £0.10 each	-	-

	Allotted, called up and fully paid			
	No.	2020 £'000	No.	2019 £'000
Ordinary shares of £0.10 each	5,000	-	5,000	-

### 12. Related party transactions

The Company is a wholly owned subsidiary of Cranswick plc, the Group financial statements of which are publicly available. Accordingly, the Company has taken advantage of the exemption in IAS24 from disclosing transactions with Cranswick plc and its wholly owned subsidiaries.

### 13. Ultimate parent company

The Company is a wholly owned subsidiary of Cranswick Country Foods plc, a company registered in England and Wales and itself a wholly owned subsidiary of Cranswick plc.

The parent undertaking of the Group of undertakings for which Group financial statements are drawn up and of which the Company is a member is Cranswick plc, registered in England and Wales. Cranswick plc is also the Company's ultimate controlling party. Copies of the financial statements of Cranswick plc can be obtained from Crane Court, Hesslewood Country Office Park, Ferriby Road, Hessle, East Yorkshire, HU13 0PA.