

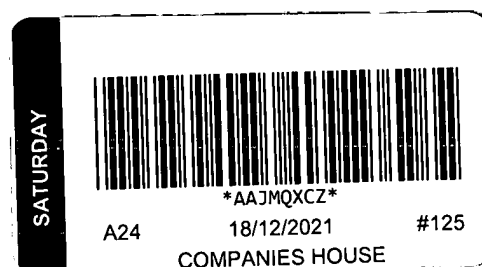
The Harts Corner Natural Sausage Company Limited

Registered No: 02779673

The Harts Corner Natural Sausage Company Limited

Report and Financial Statements

27 March 2021



Company information

Directors

A H Couch
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 27 March 2021.

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 £1,659,000 (2020 – profit of £1,035,000). Ordinary dividends of £1,659,000 (2020 – £1,035,000) were paid during the period. The directors do not recommend a final dividend £nil (2020 – £1,035,000). The net asset position at the period end was £nil (2020 –£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 5-7.

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.

The Group considers emerging risks throughout the year through the embedded risk management framework and supporting risk processes. Emerging risks can be newly identified risks or known risks that have evolved over time. These risks are under constant review and are discussed with both the Group Risk Committee and the Board. During the year emerging risks included climate change and sustainability, changes within consumer demand, economic changes following the COVID-19 outbreak as well as the ongoing threat of increased animal rights campaigns and cyber-attacks.

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 £2 million 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 which runs to November 2023 comprising a revolving credit facility of £160.0 million (falling to £120 million from November 2022), including a committed overdraft facility of £20.0 million. 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. During the year, the Group extended the terms of the additional £40 million of short-term unsecured funding arranged in the prior year, split evenly across two of its incumbent banks. This additional funding now runs to December 2021 and increases the Group's overall facilities to £200 million. 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 facilities at 27 March 2021 was £133.8million (2020 – £95.2 million).
By order of the Board



Steven Glover
Company Secretary
24 September 2021

Directors' report

The directors present their report together with the audited financial statements of the Company for the 52 week period ended 27 March 2021.

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 £1,659,000 (2020 – profit of £1,035,000). Ordinary dividends of £1,659,000 (2020 – £1,035,000) were paid during the period. The directors do not recommend a final dividend £nil (2020 – £1,035,000). The net asset position at the period end was £nil (2020 – £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. 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.

The Company's results to 27 March 2021 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 (resigned 26 July 2021)

J M Bottomley

A H Couch (appointed 26 July 2021)

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>It's 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"> • Staff survey • "Flavour" intranet site and newsletter • Appraisal process • Works councils • Dedicated Non-Executive Director | <p>Our updated HR strategy consists of four pillars which are central to addressing what matters most to our colleagues:</p> <ul style="list-style-type: none"> • Rewards & recognition • Benefits • Development • Health & Wellbeing <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>We launched 'Cranswick Core', a bespoke online learning management system featuring a suite of development courses.</p> <p>Our new enhanced benefits package is hosted through a centralised online hub and includes a variety of different benefits available to all our people.</p> <p>Our 'Feed Your Wellbeing' initiative was launched to promote health and wellbeing across our teams.</p> <p>A new two-way, electronic appraisals system ensures performance is recognised and facilitates more meaningful conversations between colleagues.</p> | <ul style="list-style-type: none"> • Relocating employees to avoid furlough • Staggered start times and updated shift patterns • Employee bonuses • Working from home • Social distancing • Additional PPE |
| Customers & Consumers | <p>We need to understand consumer demands in order to create innovative products and respond to new trends.</p> | <ul style="list-style-type: none"> • Key teams such as product development, technical, agricultural and sales will all engage with | <p>Consumer trends research highlights that choices continue to be dominated by health-conscious options,</p> | <p>The Group continues to focus on new product development to address emerging consumer trends. Lean meat ranges have been expanded</p> | <ul style="list-style-type: none"> • Excellent service levels maintained throughout • Working closely with retail customers to |

Directors' report

| | | | | | |
|-----------------------|---|--|---|--|---|
| | <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> | <p>customers to ensure communication s are cross-functional</p> <ul style="list-style-type: none"> • Site tours and visits • Online surveys • In store interviews • Focus groups • Digital platforms and social media | <p>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.</p> <p>Our customers want quality products and high consistent service levels. This was especially important during the peaks in demand experienced through the last year.</p> <p>Another matter of significant importance during the year was Brexit.</p> | <p>for health-conscious consumers.</p> <p>We aim to meet sustainability expectations through our Second Nature efforts. We launched the <i>microsite</i>, thisissecondnature.co.uk to increase communication in this area.</p> <p>We took part in the Advantage survey this year in order to understand and address our consumer feedback.</p> <p>We also engaged with our customers regarding Brexit to ensure mitigation and contingencies were in place to minimise disruption.</p> | <p>meet surges in demand</p> <ul style="list-style-type: none"> • Continuing new product development to inspire in-home meals |
| Producers & Suppliers | <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"> • Supplier surveys • Sedex • Audits and visits • Supplier policies | <p>Suppliers want continual improvement with opportunities to innovate, grow their business and develop our relationship.</p> <p>Early forecasting is key and 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>Another matter of significant importance during the year was Brexit.</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> <p>Throughout our Brexit preparations we spoke to not only our immediate suppliers but also our supplier's providers to ensure mitigations and contingencies were in place across the whole supply chain.</p> | <ul style="list-style-type: none"> • Optimising production to maximise output • Support where needed • Rationalisation of ranges |
| NGOs and Partnerships | <p>We work with various non-governmental organisations (NGOs) including Agricultural and Horticultural Development Board (AHDB), British Poultry Council (BPC),</p> | <ul style="list-style-type: none"> • Cranswick Directors and Managers sit on steering committees, groups and boards • Trial new standards | <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</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-</p> | <ul style="list-style-type: none"> • Remote support to avoid face-to-face meetings |

Directors' report

| | | | | |
|---------------------|--|---|--|--|
| | <p>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"> • Industry events • Digital platforms and social media to share important information | <p>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>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> |
| Communities | <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"> • Foodbank donations • Working with local schools and Universities • Involvement in local projects • Employment opportunities • Charity fundraising | <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> |
| Shareholders | <p>Our reporting should be fair, balanced and understandable.</p> <p>We want shareholders to understand and believe in our purpose and strategy so we can demonstrate how we create value.</p> | <ul style="list-style-type: none"> • AGM • Annual report • Regular announcements and press releases • Website • Presentations • One-to-one meetings • Visits to facilities | <p>Shareholders want to be kept up to date with current issues and are increasingly concerned with environmental, social and corporate governance (ESG) matters.</p> <p>During the year, further key matters discussed included COVID-19, financial performance and our new Remuneration Policy.</p> | <p>We have increased our engagement on ESG matters and ensure we respond to enquiries we receive on this area from both institutional and individual Shareholders.</p> <p>We provide results announcements and press releases to ensure all Shareholders remain up to date with our performance and results.</p> |

Independent auditors

A resolution to reappoint 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

Directors' report

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' 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
24 September 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 27 March 2021 and of its profit for the 52 week 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 27 March 2021; the profit and loss account and the statement of changes in equity for the 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

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 27 March 2021 and of its profit for the 52 week 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 27 March 2021; the profit and loss account and the statement of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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.

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

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 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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 27 March 2021 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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and UK tax legislation, and we

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

considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to significant one-off or unusual transactions. Audit procedures performed by the engagement team included:

- Review of board minutes throughout the year and post year end to identify any one off or unusual transactions;
- Discussions with management and those charged with governance including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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. This description forms part of our auditors' report.

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 obtained 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
24 September 2021

Profit and Loss Account

for the 52 week period ended 27 March 2021

| | Note | 2021 £'000 | 2020 £'000 |
|--|------|---------------|---------------|
| Turnover | | - | - |
| Cost of sales | | - | - |
| Gross result | | - | - |
| Income from shares in group undertakings | | 1,659 | 1,035 |
| Operating profit and profit before taxation | | 1,659 | 1,035 |
| Tax on profit | 6 | - | - |
| Profit for the financial period | | 1,659 | 1,035 |

All amounts relate to continuing activities.

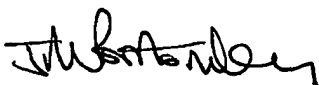
There is no other comprehensive income other than the profit of the Company of £1,659,000 in the 52 week period ended 27 March 2021 (2020 – profit of £1,035,000).

Balance sheet

at 27 March 2021

| | Note | 2021 £'000 | 2020 £'000 |
|---|------|---------------|---------------|
| Fixed assets | | | |
| Investments | 8 | 14,794 | 14,794 |
| Current assets | | | |
| Debtors | 9 | 3,353 | 3,353 |
| Creditors: amounts falling due within one year | 10 | (18,147) | (18,147) |
| Net current liabilities | | (14,794) | (14,794) |
| Net assets/Total assets less current liabilities | | - | - |
| Capital and reserves | | | |
| Called up share capital | 11 | - | - |
| Total shareholders' funds | | - | - |

The financial statements on pages 12 to 19 were approved and authorised for issue by the Board of Directors on 24 September 2021 and signed on its behalf by:



J M Bottomley
Director
24 September 2021

Statement of changes in equity

for the period ended 27 March 2021

| | Called-up share capital £'000 | Profit and loss account £'000 | Total share- holders' funds £'000 |
|------------------------------------|-------------------------------------|-------------------------------------|---|
| At 31 March 2019 | - | - | - |
| Profit for the period | - | 1,035 | 1035 |
| Dividends paid | - | (1,035) | (1,035) |
| At 28 March 2020 and 29 March 2020 | - | - | - |
| Profit for the period | - | 1,659 | 1,659 |
| Dividends paid | - | (1,659) | (1,659) |
| At 27 March 2021 | - | - | - |

Notes to the financial statements

for the 52 weeks ended 27 March 2021

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 27 March 2021 were authorised for issue by the board of directors on 24 September 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 27 March 2021. Comparatives are for the 52 week period ended 28 March 2020. The balance sheets for 2021 and 2020 have been prepared as at 27 March 2021 and 28 March 2020 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 27 March 2021. 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. 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 27 March 2021

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.

New standards, amendments and IFRIC interpretations

There are no amendments to accounting standards or IFRIC interpretations that are effective for the 52 weeks ended 27 March 2021 that have had a material impact on the company's financial statements.

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.

The Company's results to 27 March 2021 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.

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.

Notes to the financial statements

for the 52 weeks ended 27 March 2021

2. Accounting policies (continued)

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.

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.

Notes to the financial statements

for the 52 weeks ended 27 March 2021

2. Accounting policies (continued)

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 (2020 – £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 £1,636,000 (2020 – £1,605,000), of which £nil (2020 – £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 on profit

(a) Tax on profit

The tax charge is made up as follows:

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Current tax: | | |
| UK corporation tax on the profit for the year | - | - |

Notes to the financial statements

for the 52 weeks ended 27 March 2021

6. Tax on profit (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the period differs from (2020 – differs from) the standard rate of corporation tax in the UK of 19% (2020 – 19%). The differences are explained below:

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Profit before taxation | 1,659 | 1,035 |
| Profit multiplied by standard rate of corporation tax in the UK of 19% (2020 – 19%) | 315 | 197 |
| Non-taxable income | (315) | (197) |
| | - | - |

(c) Factors that may affect future tax charge

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

7. Dividend

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Declared and paid during the period | | |
| Equity dividends on ordinary shares | 1,659 | 1,035 |

8. Investments

Shares in Group companies
£'000

Cost:

| | |
|------------------------------------|--------|
| At 28 March 2020 and 27 March 2021 | 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, Hesslewood 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 |

Notes to the financial statements

for the 52 weeks ended 27 March 2021

9. Debtors

| | 2021 | 2020 |
|------------------------------------|-------|-------|
| | £'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.

10. Creditors: amounts falling due within one year

| | 2021 | 2020 |
|------------------------------------|--------|--------|
| | £'000 | £'000 |
| Amounts owed to Group undertakings | 18,147 | 18,147 |

Amounts owed to Group undertakings are unsecured, repayable on demand and have no fixed repayment date. Interest is charged on intercompany loans at 1.3%.

11. Called-up share capital

| | <i>Authorised</i> | |
|-------------------------------|-------------------|-------|
| | 2021 | 2020 |
| | £'000 | £'000 |
| Ordinary shares of £0.10 each | - | - |

| | <i>Allotted, called up and fully paid</i> | | | |
|-------------------------------|---|---------------|-------|---------------|
| | No. | 2021 £'000 | No. | 2020 £'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 ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Cranswick plc. 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.