

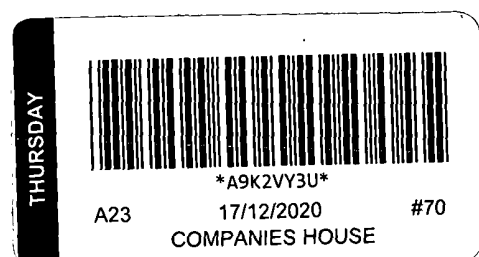
## **Dr. Oetker (UK) Limited**

Annual Report and Financial Statements

Year Ended

31 December 2019

Company Number 04293376



# **Dr. Oetker (UK) Limited**

## **Company Information**

---

<b>Directors</b>	Dr A Edelmann G H Parsbo Dr M H T Reintjes Dr J Rosenthal
<b>Company secretary</b>	Oakwood Corporate Secretary Limited
<b>Registered number</b>	04293376
<b>Registered office</b>	4600 Park Approach Thorpe Park Leeds West Yorkshire LS15 8GB
<b>Independent auditor</b>	BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL

# **Dr. Oetker (UK) Limited**

## **Contents**

---

	<b>Page</b>
<b>Strategic Report</b>	<b>1 - 5</b>
<b>Directors' Report</b>	<b>6 - 7</b>
<b>Directors' Responsibilities Statement</b>	<b>8</b>
<b>Independent Auditor's Report</b>	<b>9 - 11</b>
<b>Income Statement</b>	<b>12</b>
<b>Balance Sheet</b>	<b>13</b>
<b>Statement of Changes in Equity</b>	<b>14</b>
<b>Notes to the Financial Statements</b>	<b>15 - 32</b>

# **Dr. Oetker (UK) Limited**

## **Strategic Report For the Year Ended 31 December 2019**

---

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2019.

### **Principal activities**

The principal activity of the company continued to be the manufacture and retail of foodstuff products for the retail and foodservice markets.

### **Business review and results**

The income statement is set out in page 12 and shows the profit of £17.25m (2018 - £19.36m) for the year.

Our business continues to be one of the leading manufacturers and retailers of both frozen pizzas and baking ingredients and decorations in the United Kingdom. Market share in both sectors has been maintained over the last 12 months.

Turnover has increased to £181.0m (2018 - £172.1m) as the company maintains its focus on supporting all partner UK retailers, whilst developing the Professional (Foodservice) sector.

Gross margin has increased to £64.7m (2018 - £63.1m).

During the year the company paid a dividend of £10.0m (2018 - £10.0m).

### **Post-balance sheet events and going concern**

COVID-19 has impacted the business financially and operationally. The company has had to adapt and modify its working practices, including working from home, additional PPE, increased cleaning in the factory and office environments, plus other social distancing measures.

Sales post year end have been very positive, as the early stages of the pandemic boosted consumer demand. The lockdown has naturally affected professional sales, however a switch in consumer spending from eating out to eating at home has increased retail sales. Increase in costs for PPE and additional cleaning has been offset by reductions in other overhead costs such as travel. As a result the directors consider it appropriate to prepare the financial statements on a going concern basis.

### **Key performance indicators**

Management continuously reviews the performance of its operations.

Key KPI's monitored on a daily basis include:

- Production volumes, variances and production efficiencies
- Quality

Key KPI's monitored on a weekly/monthly basis cover the following areas:

- Market and customer
- Financial
- Quality, production and HR
- Internal processes

# **Dr. Oetker (UK) Limited**

## **Strategic Report (continued) For the Year Ended 31 December 2019**

---

### **Principal risks and uncertainties**

The company supplies high quality branded frozen and ambient foodstuff to the food retail, convenience and food service sectors which continue to be highly competitive marketplaces within the UK.

Significant focus continues to be placed on own label within the major multiples in markets where there is an increasing trend of consolidation and customers growing larger through acquisitive activity. Combine this with dynamic demands for more frequent and deeper promotional support, the result is a very tough trading environment. When you consider the ever increasing influence and success of hard discounters, online and convenience shopping in the UK grocery markets, the trading picture becomes more demanding for our processes and systems. Of course, ever changing consumer demands but also from other stakeholders, e.g. in the form of government's plans from to reduce obesity, are also continuously shaping the company's strategies.

The company continues to invest heavily in the manufacturing facility in the North-West of England, whilst driving operational efficiencies throughout the business in order to respond and adapt to market conditions. Raw material availability and price fluctuations continue to influence the company's risk profile. Purchases from mainland Europe and beyond have been made in Euro, Polish zloty, Hungarian forint, US dollar and Australian dollar. The company is therefore also exposed to movements in exchange rates which are managed, in part, by forward currency contracts.

The company is subject to further operational risks typical for the food processing industry in general. Risks of this nature include accidental contamination, food spoilage and consumer product liability, all possibly resulting in product recall and the associated cost, disruption and effect on the brand. The company mitigates and actively manages this risk by maintaining very strict, robust and vigorous controls throughout the manufacturing and supply chain processes whilst implementing and managing appropriate levels of insurance cover. Regular internal, and, where applicable, external reviews and audits are carried out to ensure these stringent guidelines are both suitable and adhered to, as is the case in other areas such as Health & Safety. Specifically with regards to minimising the risk of spreading COVID-19, relevant guidance and legislation have been translated into specific actions to protect staff and other individuals on site whilst allowing the business to continue its operations.

In the event of the UK leaving the European Union without specific agreements the company may be exposed to increased tariffs and duties, mainly driven by the purchase of raw materials from mainland Europe. The company has been preparing for various outcomes from the Brexit negotiations, working together with business partners and governmental bodies and where applicable adjusting processes and structures.

### **Financial instruments**

The main financial risk arising from the company's activities is credit risk. These are monitored by the board of directors and were not considered to be significant at the balance sheet date.

The company's policy in respect of exchange rate movements is managed as described above (see principal risks and uncertainties).

### **Policy and practice on payment of creditors**

The company endeavours to pay all creditors on time according to terms agreed with the supplier.

# Dr. Oetker (UK) Limited

## Strategic Report (continued) For the Year Ended 31 December 2019

### Section 172 statement

The Dr.Oetker (UK) Ltd senior management team consists of the Managing Directors and an Executive Head team. They meet once a month to discuss and review strategic decisions.

The Executive Head team bring a wealth of experience and skills, representing each key function of the business. This allows for a balanced and measured approach for appraising strategic decisions, ensuring the business fulfils its responsibilities, whilst considering the impact on all stakeholders.

To support this, the business has robust systems and policies in place, which ensure the business complies with its legal responsibilities, maintaining high standards and safe guarding its stake holders.

The Board of Directors of Dr. Oetker (UK) Ltd consider, both individually and together, that they have acted in good faith promoting the best interest of the business and its stakeholders, in compliance with their duties under s172 of the Companies Act 2006.

### Who are our stakeholders?

- Employees
- Suppliers
- Customers/consumers
- Local communities
- Parent company

The stakeholders have been identified as the parties affected by operations and decisions made by the business.

### How we communicate with our stakeholders

As well as the conventional forms of communication, such as telephone, e-mails and letters we also use the following:

Employees	Customer/Consumers	Parent Company	Suppliers	Local Community
Employees App for mobile phones	Presentations	Management accounts reporting	Meetings	Open Days
Communication Events	Trade shows	Budgetary planning and presentations	Surveys	Consultations
Intranet	Social Media	Year End reporting		Planning Application
Surveys	Website	Board Meetings		
Monthly meetings	Customer care team			

# **Dr. Oetker (UK) Limited**

## **Strategic Report (continued) For the Year Ended 31 December 2019**

---

### **Reflections on 2019 challenges and decisions**

#### **Managing Directors – Acquisition**

During the year the business secured the acquisition of Cake Craft World Limited and Cake Decorating TV Limited. The strategy is to continue in principle the current business format, consequently no large-scale changes were made to the company.

As a result of the acquisition some changes were made to the team structure in regards reporting lines, including the recruitment of a new Finance and Operations Manager. All Employees retained their employment contracts.

The stakeholders most affected by the acquisition were the employees, who were part of wide ranging communication programme, which consisted of one-to-one meetings and “town hall style” staff meetings.

#### **Sales**

The greatest challenge for the Sales organisation in 2019 was the uncertainty around Brexit and notably the planning required around managing demand. Our Customers were the key stakeholders in this regard as the conduit to the consumer. We ensured that through our commercial and supply chain contacts we were in constant communication, ensuring that we could react to any spikes in demand ahead of pending Brexit deadlines. This resulted in some customers taking additional stockholding and then releasing this over the following months when it became clear that the decision to exit the EU was deferred. Our Professional division was impacted the most by this, driving in cost and complexity to all stakeholders.

In addition to this we saw unprecedented demand across our portfolio of brands, and as such we needed to work closely with our stakeholders (customers / consumers / outsourced field sales team / internal colleagues) to ensure that we planned our distribution equitably across our customer base. This was particularly relevant to promotional activity across Pizza.

#### **Purchasing**

As a UK and International Procurement organisation each year we are constantly analysing risk to the business. This can be related to availability of goods, pricing and sourcing strategies. One of the major additional considerations related to Brexit and the potential impact on our sourcing strategy. There has been an ongoing process in the past few years to mitigate these risks on behalf of the business. The impact of these strategies may affect our production facility in the UK or where we purchase goods from third party suppliers.

A comprehensive trialling programme in conjunction with many departments of the business, including Innovation and Development, Quality, Production, Marketing and our Health and Safety department are all part of this process, in order for us choose the right supplier and product for our business. The outcome and acceptance of this process is agreed by all the relevant departments at regular meetings.

In addition we have an International Procurement Organisation which will have an integral input into this process with the relevant Commodity buyers, located in many countries. The change in any supplier source is captured on an international platform and reported to senior management in a regular format.

#### **Marketing**

It has been a busy year for the marketing team, and a decision to reposition the Chicago Town brand was made after a full evaluation. This involved new packaging design and new communications, which impacted on the following stakeholders:

- Customers/consumers
- Dr. Oetker (UK) Ltd Sales team
- Dr. Oetker (UK) Ltd main board team
- Executive Management Team (EMT)
- International Marketing team

# Dr. Oetker (UK) Limited

## Strategic Report (continued) For the Year Ended 31 December 2019

---

Full evaluation of the brands previous performance was prepared and shared amongst internal stakeholders to seek their buy in to the process. This included sharing consumer research results via presentations and training, to ensure the new brand position was understood and communicated correctly internally and externally.

All internal stakeholders are confident in the completeness of the work carried out and fully supportive of the brand reposition, which will motivate the customers and consumers to make future purchases.

### Manufacturing

Through the annual planning and budgeting process it was identified that, due to continued sales growth, the manufacturing capacity on one production line would not be sufficient to satisfy the future sales demand. Internal processes were put in place to maximise the output of the line but ultimately an additional production line would be required by 2023. A location on the northern perimeter of the Leyland site was identified for a new finished goods store and new production building to house the new production line to be built in 3 phases. An investment proposal was then presented to all stakeholders including:

- Dr. Oetker UK Leyland Employees - outline summary
- Dr. Oetker UK Executive Management team - details of all aspects
- International supply chain - outline and capacity implications
- Dr. Oetker board members - details of all aspects
- Residential neighbours - potential impact and consultation on potential changes to improve
- Industrial neighbours - outline summary
- Local Council - details of all aspects
- Environmental Agency, Highways commission - impact on specific areas

Following the consultations the project was approved internally and externally. The design of the buildings were changed substantially, following the voluntary consultation meeting with neighbours, to reduce any noise and light pollution impact as well as reducing the height of the buildings and increasing the distance from neighbours to minimise any shadowing effect.

### Supply Chain

Preparation for Brexit has been the biggest challenge for supply chain, ensuring we could continue to supply our domestic and overseas customers with minimum disruption, and ultimately ensuring the consumer could still enjoy our goods.

Part of the preparation was to secure Authorised Economic Operator status, which will help Dr. Oetker (UK) Ltd move goods across borders with reduced friction in regards custom checks. The business also implemented a stock building programme to help cope with potential disruptions to supply.

During these preparations the supply chain team worked closely with Sales, Manufacturing and the customers to manage the demand for product. Regular meetings were held with the key stakeholders, reviewing current forecast against demand and communicating changes.

This report was approved by the board on 10 December 2020 and signed on its behalf.



**Dr J Rosenthal**  
Director



# **Dr. Oetker (UK) Limited**

## **Directors' Report For the Year Ended 31 December 2019**

---

The directors present their report together with the audited financial statements for the year ended 31 December 2019.

### **Results and dividends**

The profit for the year, after taxation, amounted to £17.25m (2018 - £19.36m).

Dividends of £10.0m were paid to the sole shareholder in the year (2018 - £10.0m).

### **Donations**

During the year, the company made donations totalling £250 (2018 - £36,900).

### **Directors**

The directors who served during the year were:

Dr A Edelmann  
G H Parsbo  
Dr M H T Reintjes  
Dr J Rosenthal

### **Financial instruments**

#### **Credit risk**

Credit risk is the risk of financial loss to the company if a customer fails to meet its contractual obligations. The company is mainly exposed to credit risk from credit sales. It is company policy to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices. Each new customer is analysed individually for creditworthiness before the company's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval.

At a local level, a monthly review of the trade receivables' ageing analysis is undertaken and customers' credit is reassessed annually. Existing customers that become "high risk" are placed on review and future credit sales are made only with approval of the local management.

#### **Market risk**

Market risk arises from the group's use of tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

#### **Foreign exchange risk**

Foreign exchange risk arises when the company enters into transactions denominated in a currency other than its functional currency. The company's policy is, where possible, to settle liabilities denominated in Euro or Pound Sterling with the cash generated from their own operations in those currencies.

The company is predominantly exposed to currency risk on purchases made from major suppliers based in the Euro-zone, Poland and Hungary. Purchases from these suppliers are hedged using forward exchange contracts to manage risk.

# **Dr. Oetker (UK) Limited**

## **Directors' Report (continued) For the Year Ended 31 December 2019**

---

### **Employment of disabled persons**

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability, or perceptions of it.

The group's HR procedures make clear that full and fair consideration must be given to applications made by and the promotion of disabled persons. Where an employee becomes disabled whilst employed by the group, the HR procedures also require that reasonable effort is made to ensure they have the opportunity for continued employment within the group. Retraining of employees who become disabled whilst employed by the company is offered where appropriate.

### **Employee involvement**

The group maintains a HR intranet site that provides employees with information on matters of concern to them as employees, including the financial and economic factors affecting the performance of the company.

### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Auditor**

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

This report was approved by the board on 10 December 2020 and signed on its behalf.



**Dr J Rosenthal**  
Director

# **Dr. Oetker (UK) Limited**

## **Directors' Responsibilities Statement For the Year Ended 31 December 2019**

---

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the directors are required to:

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

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

# **Dr. Oetker (UK) Limited**

## **Independent Auditor's Report to the Members of Dr. Oetker (UK) Limited**

---

### **Opinion**

We have audited the financial statements of Dr. Oetker (UK) Limited ("the company") for the year ended 31 December 2019 which comprise the income statement, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

We have nothing to report in respect of the following matters in relation to which the 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.

# **Dr. Oetker (UK) Limited**

## **Independent Auditor's Report to the Members of Dr. Oetker (UK) Limited (continued)**

---

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

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

# Dr. Oetker (UK) Limited

## Independent Auditor's Report to the Members of Dr. Oetker (UK) Limited (continued)

---

### Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the 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.

### Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Paul Davies** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Leeds  
United Kingdom  
10 December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Dr. Oetker (UK) Limited

## Income Statement For the Year Ended 31 December 2019

	Note	2019 £000	2018 £000
Turnover	4	180,993	172,080
Cost of sales		(117,599)	(109,011)
<b>Gross profit</b>		<b>63,394</b>	<b>63,069</b>
Advertising and distribution costs		(27,266)	(24,767)
Administrative expenses		(14,590)	(14,198)
<b>Operating profit</b>	5	<b>21,538</b>	<b>24,104</b>
Profit/(loss) on disposal of fixed assets		28	(45)
Interest receivable and similar income	8	70	63
<b>Profit before tax</b>		<b>21,636</b>	<b>24,122</b>
Tax on profit	9	(4,386)	(4,763)
<b>Profit for the financial year</b>		<b>17,250</b>	<b>19,359</b>

All amounts relate to continuing operations.

All recognised gains or losses in the current and prior year are included in the income statement.

The notes on pages 15 to 32 form part of these financial statements.

**Dr. Oetker (UK) Limited**

Registered number:04293376

**Balance Sheet  
As at 31 December 2019**

	Note	2019 £000	2019 £000	2018 £000	2018 £000
<b>Fixed assets</b>					
Intangible assets	11		21		33
Tangible assets	12		53,604		54,820
Investments	13		9,195		6,300
			<u>62,820</u>		<u>61,153</u>
<b>Current assets</b>					
Stocks	14	16,546		16,410	
Debtors: amounts falling due within one year	15	43,870		41,249	
Cash at bank and in hand		11,016		7,626	
		<u>71,432</u>		<u>65,285</u>	
Creditors: amounts falling due within one year	16	(44,736)		(44,947)	
<b>Net current assets</b>			<u>26,696</u>		<u>20,338</u>
<b>Total assets less current liabilities</b>			<u>89,516</u>		<u>81,491</u>
<b>Provisions for liabilities</b>					
Deferred tax	18		(1,972)		(1,197)
<b>Net assets</b>			<u>87,544</u>		<u>80,294</u>
<b>Capital and reserves</b>					
Called up share capital	19	41,010		41,010	
Profit and loss account	20	46,534		39,284	
<b>Total equity</b>			<u>87,544</u>		<u>80,294</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 December 2020



**Dr J Rosenthal**  
Director

The notes on pages 15 to 32 form part of these financial statements.



# Dr. Oetker (UK) Limited

## Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2019	41,010	39,284	80,294
<b>Comprehensive income for the year</b>			
Profit for the year	-	17,250	17,250
<b>Total comprehensive income for the year</b>	-	17,250	17,250
Dividends: equity capital	-	(10,000)	(10,000)
<b>At 31 December 2019</b>	<b>41,010</b>	<b>46,534</b>	<b>87,544</b>

## Statement of Changes in Equity For the Year Ended 31 December 2018

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2018	41,010	29,925	70,935
<b>Comprehensive income for the year</b>			
Profit for the year	-	19,359	19,359
<b>Total comprehensive income for the year</b>	-	19,359	19,359
Dividends: equity capital	-	(10,000)	(10,000)
<b>At 31 December 2018</b>	<b>41,010</b>	<b>39,284</b>	<b>80,294</b>

The notes on pages 15 to 32 form part of these financial statements.

# **Dr. Oetker (UK) Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2019**

---

### **1. General information**

Dr. Oetker (UK) Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity are set out in the strategic report.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

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

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

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest thousand.

The following principal accounting policies have been applied:

#### **2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Dr. August Oetker KG as at 31 December 2019 and these financial statements may be obtained from Lutterstrasse 14, 33617 Bielefeld, Germany.

#### **2.3 Exemption from preparing consolidated financial statements**

The company has taken advantage of the exemption under FRS 102 not to prepare group financial statements. The company is a wholly owned subsidiary and its parent undertaking is incorporated within a member state of the European Community. These financial statements therefore present information about the company only.

Copies of the consolidated financial statements of Dr. August Oetker KG, a limited partnership registered in Germany, can be obtained from Lutterstrasse 14, 33617 Bielefeld, Germany.

#### **2.4 Turnover**

Turnover represents the invoiced value of goods and services provided net of VAT, rebates and customer discounts. Turnover is recognised at the point at which the risks and rewards of ownership pass to the customer, which is usually on despatch of the products. All turnover arises from the principal activities of the company.

# **Dr. Oetker (UK) Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2019**

---

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

#### **2.5 Intangible assets**

##### **Goodwill**

Goodwill represents the excess of the cost of a business combination over the fair value of the company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight line method to its estimated useful life. Goodwill is amortised over a period of 6 years.

##### **Brands & trademarks**

Brands and trademarks are recognised at cost and are amortised over their useful economic lives, estimated to be 6 years. The carrying value is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Any impairment in the value is charged to the income statement.

##### **Software**

Software is recognised at cost and are depreciated over their useful economic lives, estimated to be 3 years.

#### **2.6 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 20% per annum
Plant and machinery	- 3 - 15 years
Fixtures, fittings and equipment	- 20% per annum
Computer equipment	- 3 - 6 years
Land and buildings	- 15 - 40 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

#### **2.7 Assets under construction**

Assets that are not in service or the company is not deriving economic benefit from at the balance sheet date, are included in assets under construction at cost value and are not depreciated.

# **Dr. Oetker (UK) Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2019**

---

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

#### **2.8 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

#### **2.9 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

#### **2.10 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Raw material costs are based on the cost of purchase on a first in, first out basis. Finished goods include direct material costs, labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### **2.11 Debtors**

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

#### **2.12 Cash and cash equivalents**

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

#### **2.13 Creditors**

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

# **Dr. Oetker (UK) Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2019**

---

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

#### **2.14 Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **2.15 Foreign currency translation**

##### **Transactions and balances**

Foreign currency transactions are translated into the company's functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the transaction at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

#### **2.16 Finance costs**

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

# **Dr. Oetker (UK) Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2019**

---

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

#### **2.17 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### **2.18 Operating leases: the company as lessee**

Rentals paid under operating leases are charged to the income statement on a straight line basis over the lease term.

#### **2.19 Pensions**

##### **Defined contribution pension plan**

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

The contributions are recognised as an expense in the income statement when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

#### **2.20 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

#### **2.21 Interest income**

Interest income is recognised in the income statement using the effective interest method.

# **Dr. Oetker (UK) Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2019**

---

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

#### **2.22 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

# Dr. Oetker (UK) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

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

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 12)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Stock (see note 14)

Management estimate the proportion of direct wages and overheads to be absorbed into stock cost based on production rates over the year. Stock carrying value is subsequently considered as to whether any stock provisions are needed based on the age and quality of stock held.

- Rebate accruals

Management estimate the liability with regard to customer rebates not invoiced for sales in the respective reporting period.

### 4. Turnover

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

	2019 £000	2018 £000
Sale of goods	180,993	172,080

Analysis of turnover by country of destination:

	2019 £000	2018 £000
United Kingdom	167,983	159,142
Rest of Europe	7,425	7,497
Rest of the world	5,585	5,441
	180,993	172,080



# Dr. Oetker (UK) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 5. Operating profit

The operating profit is stated after charging/(crediting):

	2019 £000	2018 £000
Stock recognised as an expense	87,902	88,533
Auditor's remuneration:		
- company financial statement audit	60	60
- tax compliance	30	20
- tax advisory	48	-
Depreciation of tangible fixed assets	4,970	4,366
Operating leases:		
- land and buildings	411	328
- other	289	370
Loss/(gain) on derivative currency forward contracts	600	(495)
	<u>87,902</u>	<u>88,533</u>

### 6. Employees

Staff costs, including directors' remuneration, were as follows:

	2019 £000	2018 £000
Wages and salaries	20,217	18,531
Social security costs	1,818	1,709
Cost of defined contribution scheme	1,790	1,631
	<u>23,825</u>	<u>21,871</u>

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

	2019 No.	2018 No.
Production	420	375
Sales, management and administration	197	184
	<u>617</u>	<u>559</u>

# Dr. Oetker (UK) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 7. Directors' remuneration

	2019 £000	2018 £000
Directors' emoluments	632	537
Payments to defined contribution pension scheme	13	17
	<u>645</u>	<u>554</u>

During the year retirement benefits were accruing to 1 director (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £441,190 (2018 - £230,139). Company pension contributions of £Nil (2018 - £Nil) were made to a money purchase scheme on their behalf.

### 8. Interest receivable and similar income

	2019 £000	2018 £000
Interest receivable from group companies	<u>70</u>	<u>63</u>

### 9. Taxation

	2019 £000	2018 £000
<b>Corporation tax</b>		
Current tax on profits for the year	4,014	4,676
Adjustments in respect of previous periods	(403)	36
<b>Total current tax</b>	<u>3,611</u>	<u>4,712</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	323	68
Adjustments in respect of prior periods	452	(17)
<b>Total deferred tax</b>	<u>775</u>	<u>51</u>
<b>Taxation on profit on ordinary activities</b>	<u><u>4,386</u></u>	<u><u>4,763</u></u>

# Dr. Oetker (UK) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 9. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Profit on ordinary activities before tax	21,636	24,122
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	4,111	4,583
<b>Effects of:</b>		
Fixed asset differences	246	229
Expenses not deductible for tax purposes	21	17
Adjustments to tax charge in respect of prior periods	49	19
Income not taxable	(3)	(77)
Effects of changes in tax rates	(38)	(8)
<b>Total tax charge for the year</b>	<b>4,386</b>	<b>4,763</b>

#### Factors that may affect future tax charges

As at the reporting date, reductions in the UK tax rate from 19% to 17%, effective from 1 April 2020, had been substantively enacted. The deferred tax asset/liability has been calculated based on the rate substantively enacted at the reporting date.

Under legislation substantively enacted on 17 March 2020, after the reporting date, the UK tax rate will remain to be 19% from 1 April 2020 onwards. This will affect the calculation of future deferred tax charges.

### 10. Dividends

	2019 £000	2018 £000
Dividends paid	10,000	10,000

# Dr. Oetker (UK) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 11. Intangible assets

	Brands and trademarks £000	Software £000	Goodwill £000	Total £000
<b>Cost</b>				
At 1 January 2019	11,158	259	68,455	79,872
At 31 December 2019	11,158	259	68,455	79,872
<b>Amortisation</b>				
At 1 January 2019	11,158	226	68,455	79,839
Charge for the year	-	12	-	12
At 31 December 2019	11,158	238	68,455	79,851
<b>Net book value</b>				
At 31 December 2019	-	21	-	21
At 31 December 2018	-	33	-	33

# Dr. Oetker (UK) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 12. Tangible fixed assets

	Building and leasehold improvements £000	Plant and machinery £000	Office equipment £000	Assets under construction £000	Total £000
<b>Cost or valuation</b>					
At 1 January 2019	34,560	38,077	1,664	16,436	90,737
Additions	847	1,551	325	1,037	3,760
Disposals	(34)	(1,641)	-	-	(1,675)
Reclassifications	4,833	11,502	6	(16,341)	-
At 31 December 2019	40,206	49,489	1,995	1,132	92,822
<b>Depreciation</b>					
At 1 January 2019	6,391	28,203	1,249	74	35,917
Provision for year	1,294	3,467	209	-	4,970
Disposals	(34)	(1,635)	-	-	(1,669)
At 31 December 2019	7,651	30,035	1,458	74	39,218
<b>Net book value</b>					
At 31 December 2019	32,555	19,454	537	1,058	53,604
At 31 December 2018	28,169	9,874	415	16,362	54,820

# Dr. Oetker (UK) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 13. Fixed asset investments

	Subsidiary undertakings £000
<b>Cost</b>	
At 1 January 2019	9,939
Additions	2,895
At 31 December 2019	<u>12,834</u>
<b>Accumulated impairment</b>	
At 1 January 2019	3,639
At 31 December 2019	<u>3,639</u>
<b>Net book value</b>	
At 31 December 2019	<u>9,195</u>
At 31 December 2018	<u>6,300</u>

# Dr. Oetker (UK) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 13. Fixed asset investments (continued)

#### Subsidiary undertakings

The undertakings of the company are as follows:

Name	Registered office	Class of shares	Holding	Principal activity
Supercook UK Holdings Limited	England and Wales	Ordinary	100%	Holding company
Supercook Limited*	England and Wales	Ordinary	100%	Dormant
RSL Sherburn Unlimited*	England and Wales	Ordinary	100%	Dormant
Dilwara Properties Ltd	England and Wales	Ordinary	100%	Investment property
Cake Craft World Limited	England and Wales	Ordinary	100%	Retailer of foodstuff products
Cake Decorating TV Limited	England and Wales	Ordinary	100%	Production activity

The above subsidiaries are registered at 4600 Park Approach, Thorpe Park, Leeds, West Yorkshire, LS15 GB.

Dilwara Properties Ltd is registered at 150 St Vincent Street, Glasgow, G2 5NE.

On 20 September 2019 the company acquired 100% of the share capital of Cake Craft World Limited and Cake Decorating TV Limited for a consideration of £2,895,000.

\*These investments are held indirectly.

### 14. Stocks

	2019 £000	2018 £000
Raw materials and consumables	4,687	4,476
Finished goods and goods for resale	11,859	11,934
	<u>16,546</u>	<u>16,410</u>

# Dr. Oetker (UK) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 15. Debtors: amounts falling due within one year

	2019 £000	2018 £000
Trade debtors	24,295	25,629
Amounts owed by group undertakings	17,935	13,782
Other debtors	1,640	1,284
Forward currency contracts	-	554
	<u>43,870</u>	<u>41,249</u>

Amounts owed by group undertakings are interest free and repayable on demand.

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

	2019 £000	2018 £000
Trade creditors	14,869	16,016
Amounts owed to group undertakings	11,281	7,796
Corporation tax	1,202	2,413
Other taxation and social security	743	642
Accruals and deferred income	16,595	18,080
Forward currency contracts	46	-
	<u>44,736</u>	<u>44,947</u>

Amounts owed to group undertakings are interest free and repayable on demand.



# Dr. Oetker (UK) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 17. Financial instruments

The company's financial instruments may be analysed as follows:

	2019 £000	2018 £000
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	-	554
Financial assets that are debt instruments measured at amortised cost	<u>53,872</u>	<u>47,037</u>
<b>Financial liabilities</b>		
Financial liabilities measured at fair value through profit or loss	(46)	-
Financial liabilities measured at amortised cost	<u>(42,871)</u>	<u>(41,893)</u>
	<u><b>(42,917)</b></u>	<u><b>(41,893)</b></u>

Financial assets and liabilities measured at fair value through profit or loss comprise foreign currency forward contracts.

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts owed to group undertakings.

### 18. Deferred taxation

	2019 £000
At beginning of year	(1,197)
Charged to profit or loss	(775)
<b>At end of year</b>	<u><b>(1,972)</b></u>

The provision for deferred taxation is made up as follows:

	2019 £000	2018 £000
Accelerated capital allowances	(2,001)	(1,214)
Short term timing differences	29	17
	<u><b>(1,972)</b></u>	<u><b>(1,197)</b></u>

# Dr. Oetker (UK) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 19. Share capital

	2019 £000	2018 £000
<b>Allotted, called up and fully paid</b>		
41,010,000 ordinary shares of £1 each	<b>41,010</b>	<b>41,010</b>

All shares carry the right to one vote each and to participate in dividends of the company or in a distribution of assets. The shares are non-redeemable and allow participation in a distribution arising from a winding up of the company.

### 20. Reserves

The company's capital and reserves are as follows:

#### Called up share capital

Called up share capital represents the nominal value of the shares issued.

#### Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### 21. Capital commitments

At 31 December 2019 the company had capital commitments as follows:

	2019 £000	2018 £000
Contracted for but not provided in these financial statements	<b>444</b>	<b>4</b>

### 22. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,790,442 (2018 - £1,630,707). Contributions totalling £172,748 (2018 - £206,752) were payable to the fund at the reporting date and are included in creditors.

### 23. Business combinations

On 31 December 2019 the group acquired the UK trade and assets of Wilton Brands International LLC, for £2,509,002 paid in cash.

The fair value of assets acquired was allocated £2,500,000 stocks, £9,000 property, plant and equipment and £2 intangible assets. There was no goodwill arising on the acquisition.

# **Dr. Oetker (UK) Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2019**

---

### **24. Commitments under operating leases**

At 31 December 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

### **25. Related party transactions**

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

### **26. Controlling party**

The immediate parent of the company is Dr. Oetker Nahrungsmittel Beteiligungs GmbH, a company registered in Germany. At 31 December 2019 the company's ultimate controlling party was Dr. August Oetker KG, a company registered in Germany and preparing consolidated accounts that include the results of Dr. Oetker (UK) Limited. Copies of these accounts are available from the registered office.