

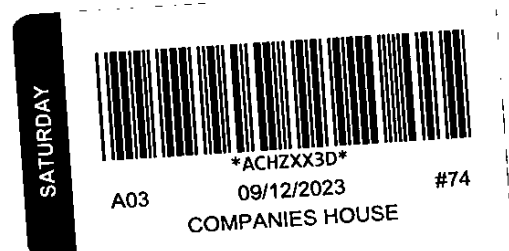
## **Bread Limited**

Report and Financial Statements

Year Ended

28 February 2023

Company Number 06186850



# Bread Limited

## Report and financial statements for the year ended 28 February 2023

---

### Contents

#### Page:

2	Company information
3	Report of the directors
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

# **Bread Limited**

## **Report and financial statements for the year ended 28 February 2023**

---

### **Company information**

#### **Directors**

T Molnar  
A Trigwell  
M Pogroszewska

#### **Secretary and registered office**

A Trigwell, Unit 12, Garrick Road Industrial Estate, Irving Way, Hendon, London, NW9 6AQ.

#### **Company number**

06186850

#### **Accountants**

KPMG LLP, 58 Clarendon Road, Watford, WD17 1DE.

# Bread Limited

## Report of the Directors for the year ended 28 February 2023

---

The directors present their report together with the unaudited financial statements for the year ended 28 February 2023.

### Results and dividends

The profit and loss account is set out on page 5. A dividend of £nil (2022: £4,600,0000) was paid to Bread Acquisitions Limited, the parent company.

### Principal activities, review of business and future developments

The principal activity of the company was that of a holding company. The company's investments are shown on note 7 of the financial statements.

In the prior year, on 5 October 2021, 100% of the shares and voting interests in the company were acquired as part of a business combination.

### Directors

The directors of the company during the year were:

T Molnar  
A Trigwell  
M Pogroszewska

### Statement of Directors' responsibilities in respect of the Directors' Report and the Financial Statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of their 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 estimates that are reasonable, relevant, reliable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate or cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Bread Limited**  
**Report of the directors (continued)**  
**for the year ended 28 February 2023**

---

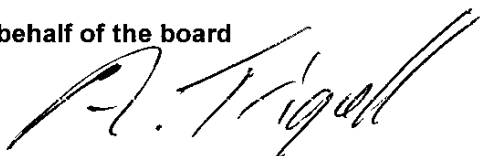
**s**

For the year ending 28 February 2023 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

**On behalf of the board**



A Trigwell  
**Director**

Date: 22 November 2023

# Bread Limited

## Profit and loss account for the year ended 28 February 2023

	Note	2023 £	2022 £
Administrative expenses		-	-
<b>Operating profit</b>	2	-	-
Interest payable and similar charges		(1,019,904)	
<b>(Loss)/profit on ordinary activities before taxation</b>		(1,019,904)	-
Taxation on (loss)/profit on ordinary activities	6	-	-
<b>(Loss)/profit on ordinary activities after taxation for the financial year</b>		(1,019,904)	-

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 7 to 11 form part of these financial statements.

# Bread Limited

## Balance sheet at 28 February 2023

Company Number 06186850	Note	2023 £	2023 £	2022 £	2022 £
<b>Fixed assets</b>					
Fixed asset investments	7		12,070,678		12,070,678
			<u>12,070,678</u>		<u>12,070,678</u>
<b>Current assets</b>					
Debtors	8	10,253,470		9,431,337	
		<u>10,253,470</u>		<u>9,431,337</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(23,482,495)</u>		<u>(21,640,458)</u>	
<b>Net current liabilities</b>			<u>(13,229,025)</u>		<u>(12,209,121)</u>
<b>Total assets less current liabilities</b>			<u>(1,158,347)</u>		<u>(138,443)</u>
<b>Capital and reserves</b>					
Called up share capital	10		11,280		11,280
Profit and loss account	11		<u>(1,169,627)</u>		<u>(149,723)</u>
<b>Shareholders' deficit</b>			<u>(1,158,347)</u>		<u>(138,443)</u>

For the year ending 28 February 2023, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

### Directors' responsibilities

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476, and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the board of directors and authorised for issue on 22 November 2023.



A Trigwell  
Director

The notes on pages 7 to 11 form part of these financial statements.

# Bread Limited

## Notes forming part of the financial statements for the year ended 28 February 2023

---

### 1 Accounting policies

Bread Limited operate within the artisan baking market selling to wholesale customers.

The company is a private company limited by shares and is incorporated in England. The address of its registered office is Unit 12, Garrick Road Industrial Estate, Irving Way, Hendon, London, NW9 6AQ.

The financial statements of Bread Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006. The company's functional and presentation currency is the pound sterling.

The company's ultimate parent undertaking, Grain Topco Limited includes the company in its consolidated financial statements. The consolidated financial statements of Grain Topco Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statements and related notes; and
- Reconciliation of the number of shares outstanding from the beginning to the end of the period; and
- Key Management Personnel compensation

*The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.*

#### 1.2 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. Trading performance in the financial year is strong and business generated net cashflow amounting to £30 million from operating activities during the year. In order to complete the going concern assessment, the Directors have prepared a base cash flow forecast for the period up to 28 February 2025 and then a second forecast taking into account plausible downside scenarios on the operations and financial resources of the Group and Company.

The conclusion of this is that the Group will have sufficient funds to meet its liabilities as they fall due during that period.

In looking at a severe downside, the Directors have considered a scenario in which they have considered:

- 5% reduction in revenue from Gail's; and
- 10% increase in ingredients prices

The revenue reduction modelling is accompanied by a restriction in new shop openings, a reduction in the level of capital expenditure, and restrictions on some central costs.

The Group is funded by a combination of available cash balances, external bank loan funding and Preference shares and is subject to financial covenants in relation to the bank loans. The Directors have assessed the Group's ability to comply with these financial covenants based on the forecasts described above and concluded that the Group will be in compliance even in the plausible downside scenario.

The directors also note that the external bank loans of £109m are not repayable until 2028 with a fixed rate SWAP contract in place, meaning that interest costs are largely fixed despite Bank of England interest rate increases.



# Bread Limited

## Notes forming part of the financial statements for the year ended 28 February 2023

### 1 Accounting policies *(continued)*

#### 1.2 *Going concern (continued)*

Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### 1.3 *Valuation of investments*

Investments are stated at cost less any provision for impairment in value.

#### 1.4 *Related party transactions*

The company discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the financial statements.

### 2 Operating result

The company was exempt from audit for the year ending 28 February 2023 and in the prior year.

### 3 Employees

The company had no employees (excluding directors) in the year (2022: nil).

### 4 Directors' remuneration

No director received any emoluments from the company during the current year (2022: £0nil).

The directors of the company are also directors of Bread Factory Limited, a fellow subsidiary, and other companies within the Grain Topco Limited group. The directors do not believe that it is practical to apportion this amount to their services as Directors of the Company and their services as directors of other group companies and, as such, their emoluments are disclosed as a whole in the financial statements of Bread Factory Limited.

### 5 Interest payable and similar charges

	2023 £	2022 £
Interest on intercompany loans	1,019,904	-
	<u>1,019,904</u>	<u>-</u>

# Bread Limited

## Notes forming part of the financial statements (*continued*) for the year ended 28 February 2023

### 6 Taxation on (loss)/profit on ordinary activities

	2023 £	2022 £
<i>UK Corporation tax</i>		
Current tax on (losses)/profits of the year	-	-

The tax assessed for the year differs from the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained on the following page.

	2023 £	2022 £
(Loss)/profit on ordinary activities before tax	(1,019,904)	-
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (2022: 19%)	(193,782)	-
Effect of: Non-taxable income	193,782	-
Current tax charge for the year	-	-

### 7 Fixed asset investments

	Group undertakings £
<i>Cost</i>	
At 1 March 2022	12,070,678
Additions	-
At 28 February 2023	12,070,678

# Bread Limited

## Notes forming part of the financial statements (continued) for the year ended 28 February 2023

### 7 Fixed asset investments (continued)

#### Subsidiary undertakings and other investments

The undertakings in which the company has an interest at the year end are as follows:

	Country of incorporation or registration	Class of share capital held	Proportion of share capital held	Nature of business
<i>Subsidiary undertakings</i>				
Bread Factory Limited	England and Wales	Ordinary	100%	Wholesale bakery
Gail's Limited	England and Wales	Ordinary	100%	Retail bakery
Maison du Pain Limited	England and Wales	Ordinary	100%	Wholesale bakery
The Flour Station Limited*	England and Wales	Ordinary	100%	Wholesale bakery
The Bread Roll Holding Company Limited	England and Wales	Ordinary	100%	Holding Company
The Bread Roll Company Limited*	England and Wales	Ordinary	100%	Wholesale bakery
DSV Holdings Limited	England and Wales	Ordinary	100%	Holding Company
The Bertinet Bakery Limited	England and Wales	Ordinary	100%	Wholesale Bakery
Wild Thexton Gluten Free Limited*	England and Wales	Ordinary	50%	Wholesale Bakery

\* Held indirectly

### 8 Debtors: amounts falling due within one year

	2023 £	2022 £
Amounts owed by group undertakings	10,253,470	9,431,337

### 9 Creditors: amounts falling due within one year

	2023 £	2022 £
Amounts owed to group undertakings	23,473,495	21,631,458
Accruals and deferred income	9,000	9,000
	23,482,495	21,640,458

# Bread Limited

## Notes forming part of the financial statements (*continued*) for the year ended 28 February 2023

### 10 Share capital

	Allotted, called up and fully paid 2023 £	2022 £
nil Ordinary 'A' shares of £nil each	11,279	11,279
nil Ordinary 'B' share of £nil each	1	1
	<u>11,280</u>	<u>11,280</u>

### 11 Reserves

	Profit and loss account £
At 1 March 2022	(149,723)
Loss for the year	(1,019,904)
At 28 February 2023	<u>(1,169,627)</u>

### 12 Related party disclosures

The company is a wholly owned subsidiary of Grain Topco Limited and has taken advantage of the exemption conferred by paragraph 33.1A of FRS 102 not to disclose transactions with Grain Topco Limited or other wholly owned subsidiaries within the group.

### 13 Ultimate parent company and parent undertaking of larger group

The company is an indirect subsidiary of Grain Topco Limited which is the ultimate parent company incorporated in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by Grain Topco Limited, incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from the registered office. No other group accounts include the results of the company.

The company's ultimate controlling party at the balance sheet date was Grain Topco Limited by virtue of its 100% indirect shareholding of The company, due to its ownership of Bread Holdings Limited.

The directors do not consider there to be one controlling party.

### 14 Subsequent events

The directors do not consider there to be any material post balance sheet events.