

# **Foodpack Limited**

## **Annual Report**

Registered number 09674147

31 December 2021

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## Company Information

|                             |   |
|-----------------------------|---|
| <b>Directors</b>            | A Dawson<br>T Van Mourik<br>D Pugh (Appointed 5 <sup>th</sup> November 2021)<br>C Price (Resigned 5 <sup>th</sup> November 2021)<br>N Jury (Resigned 5 <sup>th</sup> November 2021) |
| <b>Company number</b>       | 09674147  |
| <b>Registered office</b>    | Tern Valley Business Park<br>Shrewsbury Road<br>Market Drayton<br>Shropshire<br>TF9 3SQ   |
| <b>Independent Auditors</b> | BDO LLP<br>Two Snowhill<br>Birmingham<br>B4 6GA   |

## Strategic Report

The directors present the Strategic Report for the year ended 31 December 2021.

### Review of the business

The principal activities of the Company continue to be the co-packing / co-manufacture and manufacture of various food products for the UK market (business to business and direct to retail customers).

The Company has strengthened its position with major customers, and there has been further investment in plant and machinery to improve efficiencies.

Retail business remained stable during the year and is expected to grow in 2022 with new business wins.

### Financial Review

The result for the year to 31 December 2021 as detailed in the statement of comprehensive income on page 11 was a profit after taxation of £393,000 (2020: profit of £52,000). Profit in 2021 reflected an improved operation performance as the effect on the Food to Go market recovered from the impact of Covid 19 and new business wins. The net assets at 31 December 2021 were £2,865,000 (2020: £2,472,000).

### Revenues and gains

Revenue comprises amounts recognised by the Company in respect of goods and services supplied. Revenue for the year ended 31 December 2021 was £14,108,000 (2020: £14,140,000), which is expected to increase further in the trading year to 31 December 2022. Covid 19 has had a detrimental impact on our core "Food On The Go" market and as such 2021 revenue and operating profit improved from 2020. The Food On The Go market is expected to continue to improve in 2022. Operating profit was £641,000 for the current year (2020: £200,000).

### Principal risks and uncertainties

#### *Covid-19*

The pandemic has had a detrimental effect on the Food to Go market, which has partially recovered in 2021. Recovery is expected to continue in 2022 and the Company has secured new business for other retail sectors.

#### *Economic and environmental risk*

The Company's performance is influenced by general economic conditions such as Brexit and the conflict between Ukraine and Russia.

Brexit impacted the Company's ability to recruit packing and warehouse staff during the year. In response to this, the Company reviewed its usage of temporary colleagues in addition to reviewing the recruitment practices and terms and conditions of employment. This strategy allowed the Company to ensure that sufficient employees were in place at peak times thereby ensuring the continuation of the critical supply chain of its customers.

Whilst it is not foreseen that the conflict between Ukraine and Russia will have a direct impact on the Company's business, pressure on oil prices, gas prices and electricity could have an indirect impact on the Company's energy prices. The Company will continue to monitor and assess this situation.

The Company is funded via loans and cash-pooling which are provided by intra-group companies. The security of this has been confirmed by the parent Company as being available for a period of at least 12 months following the approval of these financial statements. As such, the directors are satisfied that the Company is able to operate as a going concern and to settle its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

#### *Operational*

The Company's operational risks include environmental, health and safety, and IT/power failures. Environmental and social effects are always considered. Documented procedures and risk assessments manage the health and safety risks. Disaster recovery procedures exist which would be implemented in the event of power and IT outages.

## Strategic Report *(continued)*

### *Principal risks and uncertainties (continued)*

#### *Commercial*

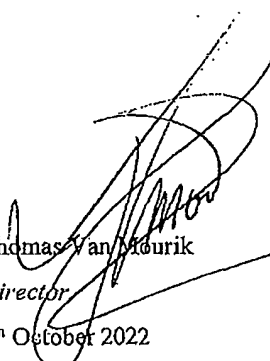
The Company's commercial risks include reduced margins as a result of pressure from market influences and a risk of claims from customers as a result of failure to meet specified quality criteria

#### *Key Performance Indicators*

The directors monitor the performance of the business both financially and operationally with a comprehensive suite of Key Performance Indicators (KPI) which covers all areas of the business and are shared with staff and customers respectively.

Financial: Sales, operating profit, debtor & creditor ageing  
Headcount: Permanent and agency

*On behalf of the board*



Thomas van Mourik

Director

4<sup>th</sup> October 2022

## Directors' Report

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2021.

### Future developments

As noted in the Strategic Report, plans beyond 2021 include continued growth by increasing revenues from existing customers and through generating business with new customers, including existing Integrated Packing Services and Culina Group customers. It is noted that these plans have suffered a setback in 2020 and 2021 due to Covid 19 but the directors of the business remain confident of the future growth of the business.

### Dividends

A dividend of £nil was declared and £nil paid during the year (*period ended 31 December 2020: £nil declared and £nil paid*).

### Political and charitable contributions

No political donations were made during the year (*year ended 31 December 2020: £nil*).

No charitable donations were made during the year (*year ended 31 December 2020: £nil*).

### Financial risk management

The Company's operations expose it to a variety of financial risks that include credit and liquidity risks. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company.

#### *Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company closely reviews the credit worthiness of new and existing customers and closely monitors the ageing of all receivables in order to minimise this risk.

The Company sets targets for debtor days and continually reviews its position. Debt is relatively concentrated; however, the concentration falls on blue chip global businesses. Before accepting any new customer, the Company uses an external credit agency to assess the potential customer's credit quality and with reference to these findings and the management's judgement and experience defines each customer a credit limit. The Company is in constant contact with its markets, and ensures all new opportunities are explored. Business diversity will continue.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Ultimate responsibility for liquidity risk management rests with the Board of Directors of the Company. Company funding comes from a parent Company loan. The parent Company ensures the Company has access to sufficient funds in order to continue operations and fund planned expansions.

The Net Current Liabilities of the Company are £1,810,000 (2020: £1,767,000). This is as a result of the Company being funded via an informal parent Company loan, repayable on demand. The security of this has been confirmed by the parent Company as being available for a period of at least 12 months following the approval of these financial statements. As such, the directors are satisfied that the Company is able to operate as a going concern and to settle its liabilities as they fall due for a period of at least 12 months from the approval of these financial statements.

#### *Interest rate risk*

The Company has external debt, on which the interest rate level is both fixed and variable. The Company has no fixed interest receivable.

#### *Price risk*

The Company did not enter into swap options contracts during the year. No trading in derivative financial instruments has been undertaken in the price.

## Directors' Report (continued)

### *Foreign currency risk*

The Company carries the risk of its UK suppliers of material being themselves affected by currency movements and therefore attempting to pass the cost on. No foreign currency contracts were used during the year.

### *Economic and environmental risk*

The Company's performance is influenced by general economic conditions such as Brexit and the conflict between Ukraine and Russia.

Brexit impacted the Company's ability to recruit packing and warehouse staff during the year. In response to this, the Company reviewed its usage of temporary colleagues in addition to reviewing the recruitment practices and terms and conditions of employment. This strategy allowed the Company to ensure that sufficient employees were in place at peak times thereby ensuring the continuation of the critical supply chain of its customers.

Whilst it is not foreseen that the conflict between Ukraine and Russia will have a direct impact on the Company's business, pressure on oil prices, gas prices and electricity could have an indirect impact on the Company's energy prices. The Company will continue to monitor and assess this situation.

### *Going Concern*

The Company is an indirect subsidiary of Unternehmensgruppe, Theo Muller S.e.c.s. (the "Parent")), an international group divided into the business segments of dairy, deli and services (the "Group"). The Company's liquidity is managed centrally alongside other fellow subsidiaries within the Group.

In reaching their conclusion, the Company's directors have considered the future trading forecasts of the Company, which have been incorporated within the consolidated forecasts of the Group (which also model the expected cash flows), and confirmed with the directors of the Group that:

- The trading forecasts of the Company are included within the forecasts of the Group as a whole.
- The directors have considered a range of plausible sensitivities, which they believe adequately address any reasonably foreseeable events and circumstances that may be relevant to the Company.

Sensitivities considered, and also incorporated within the sensitivities considered by the Group, include material reductions in trading volumes allied to increased costs, the failure to achieve cost and efficiency savings, a reduction in sublet income, the impact upon liquidity of reductions in available facilities under the Group's invoice discounting facilities and a deterioration in working capital metrics.

- In all reasonably foreseeable circumstances, it has been concluded that the trading and cash flow forecasts for the Group, which incorporate those of the Company, show adequate headroom when compared with the cash and undrawn committed facilities and forecast continuing covenant compliance.

Having regard to the way the Group is financed and how its facilities are used to pass funding down to subsidiaries, the Company is necessarily reliant on the continued support of the Group. The Company has received a letter of support from the Parent covering a period of at least 12 months from the date of these financial statements which includes:

- Not seeking repayment of amounts advanced to the Company by the Parent and/or other members of the Group unless adequate alternative financing has been secured by the Company;
- Advancing further amounts to the Company as required by the Company; and
- Allowing the Company to access the cash pooling facilities which are held by the Parent and/or other members of the Group.

This reliance is supported by the 2021 Annual Report of the Group, approved in May 2022, with no risks identified that would threaten the Group's ability to continue as a going concern and that the Group had sufficient liquid assets and available additional financing through committed credit lines to meet its liabilities as they fall due in all reasonably foreseeable events and circumstances. The Directors are satisfied that this position remains largely unchanged through to the date of approval of these financial statements and there remains sufficient liquidity throughout the going concern period.

On this basis, the Directors of the Company believe it is appropriate to continue to adopt the going concern basis of accounting in preparing these financial statements.

## **Directors' Report** *(continued)*

### ***Directors***

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

T Van Mourik  
A Dawson  
D Pugh (Appointed 5<sup>th</sup> November 2021)  
C Price (Resigned 5<sup>th</sup> November 2021)  
N Jury (Resigned 5<sup>th</sup> November 2021)

### ***Employees***

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and the various factors affecting the performance of the Company. This is achieved through formal and informal meetings supplemented by a regular internal employee newsletter. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

The Company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

### **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

## **Statement of Directors' Responsibilities in respect of the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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;
- 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 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. 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.



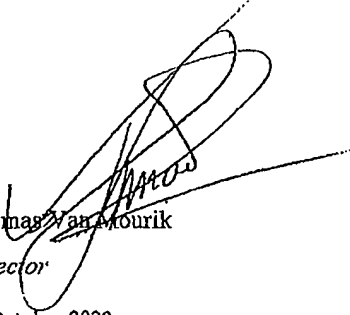
## Directors' Report *(continued)*

### Statement of Directors' Responsibilities in respect of the financial statements *(continued)*

#### Independent auditors

The current auditors for this year's financial statements are BDO LLP. The auditors have indicated their willingness to remain in place for the audit of the 2022 financial statements.

On behalf of the board



Thomas Van Mourik

Director

4<sup>th</sup> October 2022

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOODPACK LIMITED**

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 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.

We have audited the financial statements of Foodpack Limited ("the Company") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the 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, Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### **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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

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.

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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The 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. 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 course of 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 this gives rise to a material misstatement in the financial

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOODPACK LIMITED (CONTINUED)**

### **Other information (*continued*)**

statements themselves. 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.

### **Other Companies Act 2006 reporting**

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

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

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 or the 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.

### **Responsibilities of Directors**

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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOODPACK LIMITED  
(CONTINUED)**

**Auditor's responsibilities for the audit of the financial statements *(continued)***

*Extent to which the audit was capable of detecting irregularities, including fraud*

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

- Enquiring of management and the Board, including obtaining and reviewing supporting documentation, concerning the Company's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they had knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We obtained an understanding of the legal and regulatory frameworks applicable to the Company based on our understanding of the Company, sector experience and discussions with management and the Board. We considered the most significant laws and regulations for the Company to be the applicable accounting framework, the Companies Act 2006, corporate taxes and VAT legislation, employment taxes, health and safety and the Bribery Act 2010.
- Discussing among the engagement team, to assess how and where fraud might occur in the financial statements and any potential indicators of fraud and non-compliance with laws and regulation. As part of this discussion, we identified potential for fraud in the following areas:
  - a) management override of controls; and
  - b) revenue recognition, specifically the manipulation of revenue using fraudulent journals.

We executed procedures in line with our responsibilities to detect material misstatements in respect of irregularities, including fraud. These procedures, together with the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- We made enquiries of management and those charged with governance and reviewed correspondence with the relevant authorities to identify any irregularities or instances of non-compliance with laws and regulations. We corroborated our enquiries through our review of board minutes.
- We tested the appropriateness of accounting journals, using a risk based approach, and also tested other adjustments made in the preparation of the financial statements. We used data assurance techniques to identify and analyse the complete population of all journals in the year to identify and test any which we considered were indicative of management override.
- We reviewed the Company's accounting policies for non-compliance with relevant standards. Our work also included considering significant accounting estimates for evidence of misstatement or possible bias and testing any significant transactions that appeared to be outside the normal course of business.
- We critically assessed the appropriateness and tested the application of the revenue and cost recognition policies.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOODPACK LIMITED  
(CONTINUED)**

**Auditor's responsibilities for the audit of the financial statements (continued)**


*Extent to which the audit was capable of detecting irregularities, including fraud (continued)*

limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on 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.

DocuSigned by:  
  
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**Greg Watts (Senior Statutory Auditor)**

For and on behalf of BDO LLP, Statutory Auditor  
Birmingham, UK  
5<sup>th</sup> October 2022

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

**Statement of Comprehensive Income**  
*for the year ended 31 December 2021*

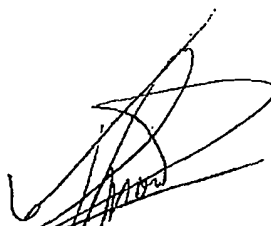
|   | <i>Note</i> | Year Ended 31<br>Dec 2021 | Year Ended 31 Dec<br>2020 |
|---|-------------|---------------------------|---------------------------|
|   |             | £000                      | £000                      |
| Revenue                                 | 4           | 14,108                    | 13,926                    |
| Cost of sales                           |             | (10,370)                  | (10,725)                  |
| Gross profit                            |             | 3,738                     | 3,201                     |
| Administrative expenses                 |             | (3,111)                   | (3,215)                   |
| Other Operating Income                  | 5           | 14                        | 214                       |
| Operating profit                        | 6           | 641                       | 200                       |
| Net Finance expense                     | 9           | (116)                     | (130)                     |
| Profit before taxation                  |             | 525                       | 70                        |
| Tax on profit                           | 10          | (132)                     | (18)                      |
| Profit for the financial year           |             | 393                       | 52                        |
| Other comprehensive income              |             | -                         | -                         |
| Total comprehensive income for the year |             | 393                       | 52                        |

The notes on pages 15 to 25 form part of these financial statements.

**Statement of Financial Position**  
*as at 31 December 2021*

|   | Note | 31 December<br>2021<br>£000 | 31 December<br>2021<br>£000 | 31 December<br>2020<br>£000 | 31 December<br>2020<br>£000 |
|---|------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Fixed assets</b>                                   |      |                             |                             |                             |                             |
| Intangible assets                                     | 11   |                             | 6                           |                             | -                           |
| Property, plant and equipment                         | 12   |                             | 4,786                       |                             | 4,312                       |
|   |      |                             | <u>4,792</u>                |                             | <u>4,312</u>                |
| <b>Current assets</b>                                 |      |                             |                             |                             |                             |
| Inventories   | 13   | 2,373                       |                             | 2,062                       |                             |
| Trade and other receivables                           | 14   | 2,716                       |                             | 2,118                       |                             |
| Cash and cash equivalents                             |      | 824                         |                             | 441                         |                             |
|   |      | <u></u>                     |                             | <u></u>                     |                             |
|   |      |                             | 5,913                       |                             | 4,621                       |
| <b>Creditors: amounts falling due within one year</b> |      |                             |                             |                             |                             |
| Interest-bearing loans and borrowings                 | 17   | -                           |                             | (5)                         |                             |
| Trade and other payables                              | 16   | (7,723)                     |                             | (6,383)                     |                             |
|   |      | <u></u>                     |                             | <u></u>                     |                             |
|   |      |                             | (7,723)                     |                             | (6,388)                     |
| <b>Net current liabilities</b>                        |      |                             | <u>(1,810)</u>              |                             | <u>(1,767)</u>              |
| <b>Total assets less current liabilities</b>          |      |                             | <u>2,982</u>                |                             | <u>2,545</u>                |
| <b>Creditors: amounts falling due after one year</b>  |      |                             |                             |                             |                             |
| Deferred tax liability                                | 15   |                             | (117)                       |                             | (73)                        |
| <b>Net assets</b>                                     |      |                             | <u>2,865</u>                |                             | <u>2,472</u>                |
| <b>Equity</b>   |      |                             |                             |                             |                             |
| Called up share capital                               | 18   |                             | 1,845                       |                             | 1,845                       |
| Retained earnings                                     |      |                             | 1,020                       |                             | 627                         |
| <b>Total shareholders' funds</b>                      |      |                             | <u>2,865</u>                |                             | <u>2,472</u>                |

These financial statements on pages 15 to 25 were approved by the board of directors on 4<sup>th</sup> October 2022 and were signed on its behalf by:

  
Thomas van Mourik  
Director  
4<sup>th</sup> October 2022

**Statement of Changes in Equity**  
*for the year ended 31 December 2021*

|                              | Share Capital | Profit and Loss Reserve | Total Shareholders Funds |
|------------------------------|---------------|-------------------------|--------------------------|
|                              | £000          | £000                    | £000                     |
| Balance at 1 January 2020    | 1,845         | 575                     | 2,420                    |
| Year ended 31 December 2020: |               |                         |                          |
| Profit for the year          | -             | 52                      | 52                       |
|                              | <hr/>         | <hr/>                   | <hr/>                    |
| Balance at 31 December 2020  | 1,845         | 627                     | 2,472                    |
|                              | <hr/>         | <hr/>                   | <hr/>                    |
| Balance at 1 January 2021    | 1,845         | 627                     | 2,472                    |
| Year ended 31 December 2021: |               |                         |                          |
| Profit for the year          | -             | 393                     | 393                      |
|                              | <hr/>         | <hr/>                   | <hr/>                    |
| Balance at 31 December 2021  | 1,845         | 1,020                   | 2,865                    |
|                              | <hr/>         | <hr/>                   | <hr/>                    |

The notes on pages 15 to 25 form part of these financial statements.



## Notes to the financial statements

### 1 Compliance with Accounting Standards

These financial statements are the second financial statements in which the Company has adopted Financial Reporting Standard 102 'Reduced Disclosure Framework' (FRS 102). The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council.

As permitted by FRS 102, for both periods presented, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cash flow statement, standards not yet effective and related party transactions with other wholly-owned members of the Group. Where required, equivalent disclosures are given in the Group financial statements of Unternehmensgruppe Theo Muller S.e.c.s, a partnership registered in Luxembourg. The partnership prepares Group financial statements which are publicly available and can be obtained as set out in note 22.

### 2 Accounting policies

#### *General information*

Foodpack Limited ("the Company") is a co-pack / co-manufacture and manufacture of various food products for the UK market.

The Company is a private limited Company, limited by shares and is incorporated and domiciled in the UK and registered in England. The address of its registered office is Shrewsbury Road, Market Drayton, Shropshire, TF9 3SQ.

#### *Basis of preparation*

Foodpack Limited is a Company incorporated in the United Kingdom under the Companies Act 2006. These financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland under the historical cost convention and in accordance with the Companies Act 2006.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

#### *Exemptions for qualifying entities under FRS 102*

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following exemptions available under paragraph 1.12 of FRS 102:

- (a) the requirement to prepare a statement of cash flows;
- (b) certain financial instrument disclosures; and
- (c) the non-disclosure of key management personnel compensation in total,

#### *Going Concern*

The Company is an indirect subsidiary of Unternehmensgruppe, Theo Muller S.e.c.s. (the "Parent"), an international group divided into the business segments of dairy, deli and services (the "Group"). The Company's liquidity is managed centrally alongside other fellow subsidiaries within the Group.

In reaching their conclusion, the Company's directors have considered the future trading forecasts of the Company, which have been incorporated within the consolidated forecasts of the Group (which also model the expected cash flows), and confirmed with the directors of the Group that:

## Notes to the financial statements *(continued)*

### 2 Accounting policies *(continued)*

- The trading forecasts of the Company are included within the forecasts of the Group as a whole.
- The directors have considered a range of plausible sensitivities, which they believe adequately address any reasonably foreseeable events and circumstances that may be relevant to the Company.

Sensitivities considered, and also incorporated within the sensitivities considered by the Group, include material reductions in trading volumes allied to increased costs, the failure to achieve cost and efficiency savings, a reduction in sublet income, the impact upon liquidity of reductions in available facilities under the Group's invoice discounting facilities and a deterioration in working capital metrics.

- In all reasonably foreseeable circumstances, it has been concluded that the trading and cash flow forecasts for the Group, which incorporate those of the Company, show adequate headroom when compared with the cash and undrawn committed facilities and forecast continuing covenant compliance.

Having regard to the way the Group is financed and how its facilities are used to pass funding down to subsidiaries, the Company is necessarily reliant on the continued support of the Group. The Company has received a letter of support from the Parent covering a period of at least 12 months from the date of these financial statements which includes:

- Not seeking repayment of amounts advanced to the Company by the Parent and/or other members of the Group unless adequate alternative financing has been secured by the Company;
- Advancing further amounts to the Company as required by the Company; and
- Allowing the Company to access the cash pooling facilities which are held by the Parent and/or other members of the Group.

This reliance is supported by the 2021 Annual Report of the Group, approved in May 2022, with no risks identified that would threaten the Group's ability to continue as a going concern and that the Group had sufficient liquid assets and available additional financing through committed credit lines to meet its liabilities as they fall due in all reasonably foreseeable events and circumstances. The Directors are satisfied that this position remains largely unchanged through to the date of approval of these financial statements and there remains sufficient liquidity throughout the going concern period.

On this basis, the Directors of the Company believe it is appropriate to continue to adopt the going concern basis of accounting in preparing these financial statements.

#### *Revenue recognition policy*

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for contract manufactured goods supplied or contract packing services rendered, net of value added taxes. Revenue is recognised in the accounting period in which the goods are supplied and services are rendered.

#### *Property, plant and equipment*

Such assets are stated at cost less depreciation and impairment. Depreciation is calculated on a straight line basis to write the assets down to their residual value at the following annual rates:

|                           |                 |
|---------------------------|-----------------|
| Buildings                 | 50 years        |
| Plant and machinery       | 3-10 years      |
| Furniture and equipment   | 3 years         |
| Computers                 | 3 years         |
| Assets under construction | Not depreciated |

The assets' residual values and useful lives are reviewed and adjusted as appropriate at each statement of financial position date. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount exceeds the higher of the asset's fair value less cost to sell and value in use. Any impairment charge is recorded in the income statement.

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

## Notes to the financial statements (continued)

### 2 Accounting policies (continued)

#### *Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost is based on the first in-first out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition.

#### *Trade and other receivables*

Trade and other receivables do not carry interest and are stated at amortised cost less impairment losses.

#### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits.

#### *Trade and other payables*

Trade and other payables are recognised initially at fair value. The majority of payables are short term and recognised at cost. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

#### *Functional and presentational currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in round £000, which is also the Company's functional currency.

#### *Taxation*

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

#### *Employee benefits*

##### *Defined contribution plan*

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

#### *Leases*

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

## Notes to the financial statements (continued)

### 2 Accounting policies (continued)

#### Foreign exchange

Transactions in currencies other than pounds Sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

#### Other Income

Income received, in 2020, from the UK Government "Coronavirus Job Retention Scheme", is recognised as Other Income.

#### Share Capital and reserves

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds. Retained earnings represents the cumulative net gains and losses and transactions with owners (e.g. dividends).

### 3 Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### a. Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually and reviewed for impairment. See note 12 for the carrying amount of property, plant and equipment and note 2 for the depreciation profile of each class.

#### b. Impairment of trade receivables

The Company makes an estimate of the recoverable values of trade and other debtors. As part of the impairment review, factors such as the ageing profile, historical experience and credit rating are considered. See note 14 for the net carrying amount of receivables.

#### c. Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account recent sales experience, the ageing of inventories, damaged, obsolete, slow moving inventories and other factors that affect inventory obsolescence.

### 4 Revenue

The total revenue of the Company for the year has been derived from its principal activities of providing contract packing services of £2,118,000 (2020: £2,033,000) and contract manufactured products £11,990,000 (2020: £11,893,000) of various food products for the UK market - business to business and direct to retail customers.

All revenue arose within the United Kingdom.

### 5 Other operating income

|                        | 31 December<br>2021<br>£000 | 31 December<br>2020<br>£000 |
|------------------------|-----------------------------|-----------------------------|
| Furlough income - HMRC | -                           | 182                         |
| Research & Development | 14                          | 32                          |
|                        | <hr/>                       | <hr/>                       |
|                        | 14                          | 214                         |
|                        | <hr/>                       | <hr/>                       |

## Notes to the financial statements (continued)

### 6 Operating profit

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

|  | 31 December<br>2021<br>£000 | 31 December<br>2020<br>£000 |
|--|-----------------------------|-----------------------------|
| Foreign currency exchange loss   | -                           | 1                           |
| Auditors' remuneration: audit of these financial statements            | 20                          | 19                          |
| Amortisation of intangible fixed assets                                | 2                           | -                           |
| Depreciation of property, plant and equipment – owned assets           | 362                         | 329                         |
| Depreciation of property, plant and equipment held under finance lease | -                           | 3                           |
| Operating lease charges  | 27                          | 25                          |
| Stock Provision  | (9)                         | (20)                        |
| Cost of stocks recognised as an expense                                | 7,071                       | 7,444                       |

### 7 Staff costs

|                       | 31 December<br>2021<br>£000 | 31 December<br>2020<br>£000 |
|-----------------------|-----------------------------|-----------------------------|
| Wages and salaries    | 2,934                       | 3,405                       |
| Social security costs | 262                         | 282                         |
| Other pension costs   | 106                         | 133                         |
|                       | <u>3,302</u>                | <u>3,820</u>                |

The monthly average number of persons employed during the period was 141 (*year ended 31 December 2020: 141*) with an average of 122 in direct operations, 16 in administration and 3 Management (*year ended 31 December 2020: 117 in direct operations, 20 in administration and 4 Management*).

### 8 Directors' remuneration

Directors of the Company are paid by the parent Company, Culina Group Limited. The directors were remunerated for their services to the Culina Group as a whole, including Foodpack Limited, and it is not possible to allocate their emoluments to the Company. Accordingly, the above details include no emoluments in respect of these directors. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of Culina Group.

### 9 Net Finance expense

|   | 31 December<br>2021<br>£000 | December<br>2020<br>£000 |
|---|-----------------------------|--------------------------|
| Interest payable on loans from Parent Company | 116                         | 130                      |
| Exchange rate loss / (gain)                   | -                           | (2)                      |
| Interest payable on finance leases            | -                           | 2                        |
|   | <u>116</u>                  | <u>130</u>               |

## Notes to the financial statements *(continued)*

### 10 Tax on profit

|   | 31 December<br>2021<br>£000 | 31 December<br>2020<br>£000 |
|---|-----------------------------|-----------------------------|
| Analysis of tax charge in the year                    |                             |                             |
| Corporation tax                                       |                             |                             |
| United Kingdom corporation tax on profit for the year | 80                          | 17                          |
| Adjustments in respect of prior years                 | 8                           | (11)                        |
|   | <hr/>                       | <hr/>                       |
| Total current tax charge                              | 88                          | 6                           |
| Deferred tax  |                             |                             |
| Origination and reversal of timing differences        | 27                          | (2)                         |
| Adjustments in respect of prior years                 | (6)                         | 6                           |
| Impact of changes in tax rates                        | 23                          | 8                           |
|   | <hr/>                       | <hr/>                       |
| Total deferred tax charge                             | 44                          | 12                          |
|   | <hr/>                       | <hr/>                       |
| Total tax charge                                      | 132                         | 18                          |
|   | <hr/>                       | <hr/>                       |

#### *Reconciliation of tax charge*

The tax charge assessed for the year is higher (2020: *higher*) than that arising from applying the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

|  | 31 December<br>2021<br>£000 | 31 December<br>2020<br>£000 |
|--|-----------------------------|-----------------------------|
| Profit before taxation   | 525                         | 70                          |
|  | <hr/>                       | <hr/>                       |
| Profit multiplied by standard rate of<br>Corporation tax in the UK of 19% (December 2020: 19%) | 100                         | 13                          |
| Effects of:  |                             |                             |
| Non-taxable income   | (3)                         | (6)                         |
| Expenses not deductible for tax purposes   | 10                          | 8                           |
| Impact of changes in tax rate  | 23                          | 8                           |
| Adjustment to current tax for prior periods  | 8                           | (11)                        |
| Adjustment to timing differences for prior periods   | (6)                         | 6                           |
|  | <hr/>                       | <hr/>                       |
| Total tax charge for the year  | 132                         | 18                          |
|  | <hr/>                       | <hr/>                       |

#### *Factors that may affect future tax charges*

Changes to the UK corporation tax rates were enacted as part of the Finance Act 2021 to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. Deferred taxes at the balance sheet date have been measured using the enacted rates which are expected to apply to the reversal of the timing differences and this is reflected in the financial statements.

## Notes to the financial statements (continued)

### 11 Intangible assets

|                          | Computer<br>Software | Total |
|--------------------------|----------------------|-------|
|                          | £000                 | £000  |
| Cost                     |                      |       |
| At 1 January 2021        | -                    | -     |
| Additions                | 8                    | 8     |
|                          | <hr/>                | <hr/> |
| At 31 December 2021      | 8                    | 8     |
|                          | <hr/>                | <hr/> |
| Accumulated amortisation |                      |       |
| At 1 January 2021        | -                    | -     |
| Charge for the year      | 2                    | 2     |
|                          | <hr/>                | <hr/> |
| At 31 December 2021      | 2                    | 2     |
|                          | <hr/>                | <hr/> |
| Net book value           |                      |       |
| At 31 December 2021      | 6                    | 6     |
|                          | <hr/>                | <hr/> |
| At 31 December 2020      | -                    | -     |
|                          | <hr/>                | <hr/> |

### 12 Property, plant and equipment

|                          | Land and<br>Buildings | Plant and<br>machinery | Furniture and<br>equipment | Computers | Assets Under<br>Construction | Total |
|--------------------------|-----------------------|------------------------|----------------------------|-----------|------------------------------|-------|
|                          | £000                  | £000                   | £000                       | £000      | £000                         | £000  |
| Cost                     |                       |                        |                            |           |                              |       |
| At 1 January 2021        | 2,422                 | 2,663                  | 219                        | 100       | 168                          | 5,572 |
| Additions                | -                     | 121                    | 196                        | 7         | 512                          | 836   |
|                          | <hr/>                 | <hr/>                  | <hr/>                      | <hr/>     | <hr/>                        | <hr/> |
| At 31 December 2021      | 2,422                 | 2,784                  | 415                        | 107       | 680                          | 6,408 |
|                          | <hr/>                 | <hr/>                  | <hr/>                      | <hr/>     | <hr/>                        | <hr/> |
| Accumulated depreciation |                       |                        |                            |           |                              |       |
| At 1 January 2021        | 199                   | 762                    | 206                        | 93        | -                            | 1,260 |
| Charge for the year      | 40                    | 280                    | 35                         | 7         | -                            | 362   |
|                          | <hr/>                 | <hr/>                  | <hr/>                      | <hr/>     | <hr/>                        | <hr/> |
| At 31 December 2021      | 239                   | 1,042                  | 241                        | 100       | -                            | 1,622 |
|                          | <hr/>                 | <hr/>                  | <hr/>                      | <hr/>     | <hr/>                        | <hr/> |
| Net book value           |                       |                        |                            |           |                              |       |
| At 31 December 2021      | 2,183                 | 1,742                  | 174                        | 7         | 680                          | 4,786 |
|                          | <hr/>                 | <hr/>                  | <hr/>                      | <hr/>     | <hr/>                        | <hr/> |
| At 31 December 2020      | 2,223                 | 1,901                  | 13                         | 7         | 168                          | 4,312 |
|                          | <hr/>                 | <hr/>                  | <hr/>                      | <hr/>     | <hr/>                        | <hr/> |

## Notes to the financial statements *(continued)*

### 12 Property, plant and equipment *(continued)*

The net book value of assets held under finance leases or hire purchase contracts, included within Property, Plant and Machinery, is as follows:

|                          | 31 December<br>2021<br>£000 | 31 December<br>2020<br>£000 |
|--------------------------|-----------------------------|-----------------------------|
| Cost                     | 6                           | 6                           |
| Accumulated depreciation | (6)                         | (3)                         |
| Net book Value           | -                           | 3                           |

### 13 Inventories

|                               | 31 December<br>2021<br>£000 | 31 December<br>2020<br>£000 |
|-------------------------------|-----------------------------|-----------------------------|
| Raw materials and consumables | 1,264                       | 1,242                       |
| Finished goods                | 1,109                       | 820                         |
|                               | 2,373                       | 2,062                       |

Stock provision of £39,000 (31 December 2020: £48,000) for de-listed stock are included within the above valuations.

### 14 Trade and other receivables

|                                     | 31 December<br>2021<br>£000 | 31 December<br>2020<br>£000 |
|-------------------------------------|-----------------------------|-----------------------------|
| Amounts falling due within one year |                             |                             |
| Trade debtors                       | 1,932                       | 2,076                       |
| Amounts owed by group undertakings  | 14                          | 3                           |
| Other debtors                       | 770                         | 39                          |
|                                     | 2,716                       | 2,118                       |

The average credit period taken on sale of goods is 42 days (2020: 45 days). No interest has been charged on the trade receivables balance in the current year, however the Company reserves the right to charge interest on overdue invoices on an individual case basis where contractually entitled to do so. The Company reviews all overdue debts and provides against any debts based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience. In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. In the current year the Company has not experienced a bad debt (2020: the same).

Before accepting any new customer, the Company uses an external credit agency to assess the potential customer's credit quality and with reference to these findings and the management's judgement and experience defines each customer a credit limit. Limits attributed to customers are reviewed as necessary based on credit history and customer requirements.

Included in the Company's trade receivable balance are debtors with a carrying amount of £202,000 (2020: £56,000), which are past due at the reporting date for which the Company has provided £9,000 (2020: £nil). The



## Notes to the financial statements (continued)

### 14 Trade and other receivables (continued)

Company does not hold any collateral over these balances. The average age of these receivables is 50 days overdue (2020: 47 days overdue).

#### Ageing of past due but not impaired

|               | 31 December<br>2021<br>£000 | 31 December<br>2020<br>£000 |
|---------------|-----------------------------|-----------------------------|
| 1 to 30 days  | 128                         | 36                          |
| 30 to 60 days | -                           | -                           |
| 60 to 90 days | 43                          | 1                           |
| 90 days +     | 31                          | 19                          |
|               | <u>202</u>                  | <u>56</u>                   |

No other receivables are past due (2020: £nil).

### 15 Deferred tax liability

|                              | 31 December<br>2021<br>£000 | 31 December<br>2020<br>£000 |
|------------------------------|-----------------------------|-----------------------------|
| At the beginning of the year | 73                          | 61                          |
| Charge to profit or loss     | 44                          | 12                          |
|                              | <u>117</u>                  | <u>73</u>                   |

The elements of the deferred taxation liabilities / (assets) are as follows:

|                                | 31 December<br>2021<br>£000 | 31 December<br>2020<br>£000 |
|--------------------------------|-----------------------------|-----------------------------|
| Accelerated Capital Allowances | 125                         | 84                          |
| Other                          | (8)                         | (11)                        |
|                                | <u>117</u>                  | <u>73</u>                   |

The deferred tax asset reflected in the Company's statement of financial position at 31 December 2021 has been calculated at the rate of 23.5% (31 December 2020: 19%) being representative of the enacted rates that are expected to apply at the timing of reversal.

## Notes to the financial statements (continued)

### 16 Trade and other payables

|   | 31 December<br>2021<br>£000 | 31 December<br>2020<br>£000 |
|---|-----------------------------|-----------------------------|
| Creditors: Amounts falling due within one years |                             |                             |
| Trade creditors                                 | 1,923                       | 787                         |
| Amounts owed to group undertakings              | 5,481                       | 4,941                       |
| Other taxation and social security              | -                           | 133                         |
| Other creditors                                 | 45                          | 53                          |
| Accruals and deferred income                    | 274                         | 469                         |
|   | <u>7,723</u>                | <u>6,383</u>                |

Within the amounts owed to group undertakings £4,000,000 are unsecured, have no fixed date of repayment and are repayable on demand. Interest is charged at 2.88%.

### 17 Other interest-bearing loans and borrowings

|                                     | 31 December<br>2021<br>£000 | 31 December<br>2020<br>£000 |
|-------------------------------------|-----------------------------|-----------------------------|
| Amounts falling due within one year |                             |                             |
| Obligations under finance lease     | -                           | 5                           |
|                                     | <u>-</u>                    | <u>5</u>                    |

### 18 Called up share capital

|   | 31 December<br>2021<br>£000 | 31 December<br>2020<br>£000 |
|---|-----------------------------|-----------------------------|
| <i>Allotted, called up and fully paid</i> |                             |                             |
| 470,000 Ordinary 'A' shares of £1 each    | 470                         | 470                         |
| 1,375,000 Ordinary 'C' shares of £1 each  | 1,375                       | 1,375                       |
|   | <u>1,845</u>                | <u>1,845</u>                |

The A and C ordinary shares rank pari passu for dividends and voting rights.

Upon the return of assets on liquidation, capital reduction, or otherwise the holders of the C ordinary shares receive 75% and the holders of the A ordinary shares receive 25% of the net assets up to £2m and then 70% and 30% respectively of proceeds in excess of £2m. In the event of share sale or listing the holders of the C ordinary shares receive 75% and the holders of the A ordinary shares receive 25% of the net assets up to £2m and then 60% and 40% respectively of proceeds in excess of £2m.

## Notes to the financial statements (continued)

### 19 Pension commitments

The Company operates a defined contribution pension scheme for all qualifying employees. 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 £24,000 (year ended 31 December 2020: £133,000). No contributions (31 December 2020: £18,000) were payable to the fund at the Balance Sheet date.

### 20 Commitments under operating leases

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

|  | 31 December<br>2021<br>£000 | 31 December<br>2020<br>£000 |
|--|-----------------------------|-----------------------------|
| <i>Operating leases</i>                      |                             |                             |
| Not later than 1 year                        | 46                          | 42                          |
| Later than 1 year and not later than 5 years | 99                          | 130                         |
|  | <u>145</u>                  | <u>172</u>                  |

### 21 Related party transactions

The Company is a wholly owned subsidiary of is Unternehmensgruppe Theo Muller S.e.c.s, the Company and has taken advantage of the exemption available under FRS102 not to disclose transactions with other members of the group headed by Unternehmensgruppe Theo Muller S.e.c.s.

### 22 Immediate parent undertakings and controlling party

The immediate parent Company is Integrated Packing Services Limited, a Company registered in England and Wales. The ultimate parent undertaking is Unternehmensgruppe Theo Muller S.e.c.s, a partnership registered in Luxembourg. This entity prepared group financial statements which are publically available and can be obtained from is Unternehmensgruppe Theo Muller S.e.c.s, 23 rue Aldringen, L-1118 Luxembourg. The ultimate controlling party is Herr Theo Muller.