

Company Registration No. 10373131 (England and Wales)

BERNARD MATTHEWS FROZEN LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
1 JANUARY 2023

WEDNESDAY



ACIS2V1C

A04

20/12/2023

#277

COMPANIES-HOUSE

BERNARD MATTHEWS FROZEN LIMITED

COMPANY INFORMATION

Directors	R-M Emmerson A Gleadow
Company number	10373131
Registered office	2nd Floor Colmore Court 9 Colmore Row Birmingham B3 2BJ
Auditor	Haines Watts Bristol Limited Bath House 6-8 Bath Street Bristol BS1 6HL

BERNARD MATTHEWS FROZEN LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 1 JANUARY 2023

The directors present their Strategic Report for the year ended 1 January 2023. (The prior year was 52 weeks ending 2 January 2022).

Throughout the Financial Statements, reference to the year ended 1 January 2023 represents 52 weeks of trading for the company.

Business review

The company's principal activity is the freezing, storage and distribution of frozen poultry and poultry related products predominantly for the UK retailers, including the seasonal frozen turkey supply for Christmas.

The key financial performance indicators are turnover and operating profit. For the year ended 1 January 2023, turnover was £71.3m (2 January 2022: £38.6m) and operating profit was £13.1m (period ended 2 January 2022: £4.1m).

The company maintains a positive outlook in spite of some turbulence in the wider poultry market as the UK retailers have been supportive in accepting price increases to support the recent changes in commodity and energy increase. While the ongoing conflict in the Ukraine adds uncertainty, the business is well positioned to maintain its profitability.

Principal risks and uncertainties

Strategic risks

The main strategic risks would arise from market conditions, if the trend of increasing demand for UK produced poultry reversed. This is considered as minimal, as currently there is an overall insufficient supply of UK grown poultry to meet consumer demands.

The war in Ukraine has led to high inflation across the globe. The increase in costs is most acutely seen in the greater energy prices and food prices – both of which are components of the poultry supply chain. These increases will offset the majority of the input price increases and the wider cost base of the supply chain and third party logistics costs. Some of the retailers have bought forward cover on their commodity risk in feed, this has therefore reduced the impact of the live bird costs as well.

Operational risks

The company faces risks common to users of third party logistics facilities such as loss of facility; and those associated with bird welfare, including health, safety and environmental risks. Avian influenza in the down stream supply chain is a significant risk, however this is managed by Hook 2 Sisters, a key rearer and grower of broiler chickens and turkeys, by having a large number of farms spread across a wide geography, along with significant biosecurity controls on farm that seek to mitigate this.

The company monitors any legislative changes and works with our supply chain stakeholders to ensure we have an annual plan in place to deal with any impact, this programme is active and is monitored on a monthly basis.

Health, safety and environmental risks are regularly reviewed and prioritised, with work streams established to minimise the risk to people, equipment and property. Immediate and future risks to the business include regulation changes in the supply chain and these are monitored closely by the Agriculture teams.

Financial risks

The company operates within a framework of weekly reporting which covers weekly performance measures. A set of monthly management accounts is also produced and reviewed by the Board.

The company monitors cash flow as part of its day to day control procedures.

Future developments

To support the growth in the poultry market throughout the UK, it is expected that the company will continue to extend its distribution capabilities to new untapped areas of the existing poultry supply chain.

At the balance sheet date, the company will continue to receive support from the wider legal group to pursue this strategy.

BERNARD MATTHEWS FROZEN LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 1 JANUARY 2023

Section 172 Statement

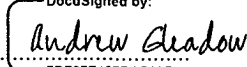
The directors confirm that during the period under review, it has acted fairly between members of the company to promote the long term success of the company for the benefit of all shareholders, whilst having regard to the matters set out in section 172(1)(a)-(f) of the Companies Act 2006 in the decisions taken during the period ended 1 January 2023, further detail of which is set out below.

Why we engage	How we engage	What matters most to our stakeholders	How we respond
Our customers			
Our purpose is to deliver high quality poultry and poultry related products to all of our customers and the general public.	We work closely with our customers to understand the specifications of their product range and capabilities, and that we can meet their requirements to maintain continuity of supply. All of our initiatives focus on clear communication.	Our customers seek the appropriate infrastructure in place to supply the volumes required but not compromise on sustainability and animal welfare.	We are always there for our customers, with regular contact and communication from the commercial team. We monitor the movements in the volumes of the supply chain closely.
Our contractors			
We let contractors know both our requirements and the standards expected, so that they meet our expectations. Without contractor partnerships we cannot ensure effective logistics to provide to our customers.	Our commercial team works directly with contractors, appropriately scoping out projects of work, and managing the workflow to ensure a seamless delivery. There is constant, ongoing communication with our contractors.	Healthy sustainable relationship, credit worthiness, financial stability to meet our commitments and adherence to both anti-bribery and anti-modern slavery laws.	We work closely to provide feedback on delivery performance and quality of works performed/service. Contractors are benchmarked and there is a regular tendering process.

BERNARD MATTHEWS FROZEN LIMITED**STRATEGIC REPORT (CONTINUED)****FOR THE PERIOD ENDED 1 JANUARY 2023**

Why we engage	How we engage	What matters most to our stakeholders	How we respond
Lenders (at the wider group level)			
We engage to keep our lenders informed with our business and investment plans and the wider UK Poultry implications on our business.	We discuss at least quarterly with our lenders of the performance in the business alongside the progress of any plans that have undertaken thus far.	High quality infrastructure and that due care and maintenance is provided to the estate. The Wider UK Poultry supply chain and its implications on how we operate.	Our periodic meetings will communicate any key updates to our lenders.
Our communities and the environment			
We take our responsibilities to the local community seriously. We acknowledge the responsibility we have to protect the environment and to minimise the environmental impact of our activities.	Our businesses have regular meetings with local councils officers. Sustainability research is done on what the most recent technologies are in farming, agriculture and production.	That we are a responsible business that respects our neighbours, local community and the wider environment.	We continue to update our understanding of the newest innovative technologies that help to reduce our carbon footprint.

By order of the board

DocuSigned by:

 70F37F197DA54A5...
 A Gleadow
 Director

Date: 10/31/2023

BERNARD MATTHEWS FROZEN LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 1 JANUARY 2023

The directors present their report and the financial statements for the 52 week year ended 1 January 2023. The 2022 comparative presents a 52 week year ended 2 January 2022. This report should be read in conjunction with the strategic report. Key information relating to the business noted in the strategic report has not been repeated in the directors' report.

Principal activities

The company's principal activity is the distribution of poultry and poultry related products.

Results and dividends

The results for the period are set out on page 10.

Directors

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

R-M Emmerson

P Price

A S Haveron

A Gleadow

(Appointed 9 November 2022 and resigned 31 March 2023)

(Resigned 9 September 2022)

(Appointed 1 September 2023)

Qualifying third party indemnity provisions

The company has provided qualifying indemnity provisions in respect of the board of directors which were in force during the year and at the date of this report.

Auditor

Grant Thornton UK LLP resigned as auditor after the period and was replaced by Haines Watts Bristol Limited.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and Haines Watts Bristol Limited will therefore continue in office.

Energy and carbon reporting

The company has taken the exemption from disclosure as a result of being a subsidiary undertaking whereby the energy and carbon reporting information is included within the consolidation report of its parent undertaking Boparan Private Office Limited.

Strategic report

The company has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of future developments and principal risks and uncertainties.

Information in the Strategic Report describes how the Directors have had regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 when performing their duty where relevant.

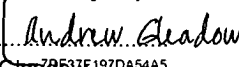
Statement of disclosure to auditor

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 auditor is unaware; and each director has taken all 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 auditor is aware of that information.

BERNARD MATTHEWS FROZEN LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 1 JANUARY 2023

On behalf of the board

DocuSigned by:

A Gleadon F197DA54A5...
Director
Date: 10/31/2023

BERNARD MATTHEWS FROZEN LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 1 JANUARY 2023

The directors are responsible for preparing the Strategic Report and 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; 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. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERNARD MATTHEWS FROZEN LIMITED

Opinion

We have audited the financial statements of Bernard Matthews Frozen Limited (the 'company') for the period ended 1 January 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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 1 January 2023 and of its profit for the period 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 Auditors' 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

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 in the Strategic Report and the Directors' Report, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial 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.

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 the Directors' Report for the financial period 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERNARD MATTHEWS FROZEN LIMITED (CONTINUED)

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 the Directors' Report.

We have nothing to report in respect of the following matters where 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 Directors' Responsibilities Statement set out on page five, 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 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 a Report of the Auditors 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

We obtained an understanding of the legal and regulatory frameworks applicable to the company and the sector in which it operates. We determined that the following laws and regulations were most significant: The Companies Act 2006, UK GAAP, the UK Corporate Governance Code, UK corporate tax laws, the Data Protection Act and the Global Standard for Food Safety. We obtained an understanding of how the company is complying with those legal and regulatory frameworks and made enquiries to the management of known or suspected instances of fraud and non-compliance with laws and regulations. We corroborated our enquiries through our review of board minutes and review of correspondence with regulatory bodies.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit team included:

- Identifying and assessing the controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- Identifying and testing journal entries, in particular journal entries posted with unusual account combinations;
- Assessing the extent of compliance with the relevant laws and regulations; and
- Challenging the assumptions and judgements made by management in its significant accounting estimates.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERNARD MATTHEWS FROZEN LIMITED (CONTINUED)

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 a Report of the Auditors 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.



Andrew Jordan FCA (Senior Statutory Auditor)

For and on behalf of Haines Watts Bristol Limited, Statutory Auditor

Bath House

6-8 Bath Street

Bristol

BS1 6HL

31/10/2023

BERNARD MATTHEWS FROZEN LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 1 JANUARY 2023**

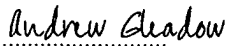
		Period ended 1 January 2023 £000	Period ended 2 January 2022 £000
	Notes		
Turnover	3	71,307	38,612
Cost of sales		(57,225)	(33,830)
Gross profit		14,082	4,782
Administrative expenses		(936)	(636)
Operating profit	5	13,146	4,146
Interest receivable and similar income	6	1	-
Profit before taxation		13,147	4,146
Tax on profit	7	(2,498)	(770)
Profit for the financial period		10,649	3,376

Company Registration No. 10373131

BERNARD MATTHEWS FROZEN LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 1 JANUARY 2023**

	Notes	2023 £000	2022 £000	2022 £000
Fixed assets				
Tangible assets	8		3	-
Current assets				
Stocks	9	14,437	11,376	
Debtors	10	27,890	13,199	
Cash at bank and in hand		18,288	3,069	
		60,615	27,644	
Creditors: amounts falling due within one year	11	(45,157)	(22,833)	
Net current assets			15,458	4,811
Total assets less current liabilities			15,461	4,811
Provisions for liabilities	12		(1)	-
Net assets			15,460	4,811
Capital and reserves				
Called up share capital	14		-	-
Profit and loss reserves			15,460	4,811

The financial statements were approved by the board of directors and authorised for issue on 10/31/2023 and are signed on its behalf by:

DocuSigned by:

 7DF37F197DA54A5...
 A Gleadow
 Director

BERNARD MATTHEWS FROZEN LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 1 JANUARY 2023**

	Share capital	Profit and loss reserves	Total
	£000	£000	£000
Balance at 4 January 2021	-	1,435	1,435
Period ended 2 January 2022:			
Profit and total comprehensive income for the period	-	3,376	3,376
	<hr/>	<hr/>	<hr/>
Balance at 2 January 2022	-	4,811	4,811
Period ended 1 January 2023:			
Profit and total comprehensive income for the period	-	10,649	10,649
	<hr/>	<hr/>	<hr/>
Balance at 1 January 2023	-	15,460	15,460
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BERNARD MATTHEWS FROZEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY 2023

1 Accounting policies

Company information

Bernard Matthews Frozen Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 2nd Floor, Colmore Court, 9 Colmore Row, Birmingham, B3 2BJ.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel and as a wholly owned subsidiary of Boparan Private Office Limited the company is exempt from the requirement to disclose transactions with other wholly owned members of the group as 100% of voting rights are controlled within the group.

The financial statements of the company are consolidated in the financial statements of Boparan Private Office Limited. These consolidated financial statements are available from its registered office, 2nd Floor Colmore Court, 9 Colmore Row, Birmingham, United Kingdom, B3 2BJ.

BERNARD MATTHEWS FROZEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 JANUARY 2023

1 Accounting policies (Continued)

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources and finance facilities to continue in operational existence for at least the next 12 month period from the date these financial statements were approved. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

In reaching this decision the directors have considered latest forecasts to 31 December 2024 as well as having made a consideration of the potential impact of the current cost of living crisis and rising inflation on the forecast cash flows and liquidity of the company. The assessment takes into account a number of scenarios including a reduction in sales from the impact of the cost of living crisis. Even under these circumstances, the directors currently believe the company can continue to maintain sufficient liquidity over the next 12 month forecast period. A reverse stress test has also been conducted to assess at what point would the model not operate, which the directors see as highly improbable. Mitigating actions are also available to the company in managing their liquidity including deferring capital expenditure.

Whilst the directors do not envisage the need for parental support to enable the company to continue as a going concern, a letter of support has been received from Boparan Private Office Limited, the ultimate parent company, which commits to providing support, should the need arise, to allow the company to pay its debts as they fall due for at least 12 months from the date of approval of these financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods to external customers in the ordinary nature of the business. Turnover is recognised at the date of despatch where the company is contracted to undertake the transportation of goods to the customer's place of business. The fair value of consideration takes into account returns, discounts and rebates. Turnover is represented exclusive of value added tax.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	4 years straight line basis
-----------	-----------------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

BERNARD MATTHEWS FROZEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 JANUARY 2023

1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

BERNARD MATTHEWS FROZEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 JANUARY 2023

1 Accounting policies (Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, and amounts owed to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

- Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Other financial liabilities

Debt instruments where the contractual returns, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

BERNARD MATTHEWS FROZEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 JANUARY 2023

1 Accounting policies (Continued)

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Revenue recognition: Agent versus Principal

When undertaking sales of poultry related products, the terms of the arrangements in place are reviewed in concluding whether the risk and rewards of the transaction are taken on by the company. A series of tests and indicators are scrutinised so that the judgement can be made as to whether the poultry related product sales are being conducted with the company acting as an agent or a principal. The sales of the business has the company acting as an agent and as a principal on different occasions.

Stock valuation

The directors have applied a number of judgements and estimates in relation to the carrying value of stock and for any indication of impairment in assessing the recoverability. Stocks are valued at the lower of cost (based on the weighted average principle and includes expenditure incurred in the acquisition, production or conversion costs) and estimated selling price. Stocks are assessed for indications of impairment at the end of each accounting period, with any loss recognised in the statement of comprehensive income.

3 Turnover and other revenue

	2023	2022
	£000	£000
Turnover analysed by class of business		
Poultry and poultry related products sales	71,307	38,612

BERNARD MATTHEWS FROZEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2023

3 Turnover and other revenue (Continued)

	2023 £000	2022 £000
Turnover analysed by geographical market		
United Kingdom	71,307	38,612

4 Employees

The company has no employees.

The directors are remunerated by the parent company and recharged together with group employees as an administrative expense to the company.

5 Operating profit

	2023 £000	2022 £000
Operating profit for the period is stated after charging:		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	13	27
Fees payable to the company's auditor for the audit of the company's financial statements	23	25
Depreciation of owned tangible fixed assets	1	-

6 Interest receivable and similar income

	2023 £000	2022 £000
Interest income		
Interest on bank deposits	1	-

7 Taxation

	2023 £000	2022 £000
Current tax		
UK corporation tax on profits for the current period	2,497	770
Deferred tax		
Origination and reversal of timing differences	1	-
Total tax charge	2,498	770

BERNARD MATTHEWS FROZEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 JANUARY 2023

7 Taxation (Continued)

The total tax charge for the period included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2023 £000	2022 £000
Profit before taxation	13,147	4,146
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	2,498	788
Transfer pricing adjustments	-	(18)
Taxation charge for the period	2,498	770

In the Spring Budget 2021, the Government announced that the corporation tax rate would remain at 19% until 2023. Following which, the rate of corporation tax will increase to 25% for profits over £250,000. This new law was substantively enacted on 24 May 2021.

8 Tangible fixed assets

	Computers £000
Cost	
Additions	4
At 1 January 2023	4
Depreciation and impairment	
Depreciation charged in the period	1
At 1 January 2023	1
Carrying amount	
At 1 January 2023	3
At 2 January 2022	-

9 Stocks

	2023 £000	2022 £000
Finished goods and goods for resale	14,437	11,376

The amount of stocks expensed to the Statement of Comprehensive Income in the year was £56,697,000 (2022: £34,839,000). The valuation at the period end is shown net of a stock provision of £7,482,000 (2022: £398,000).

BERNARD MATTHEWS FROZEN LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 1 JANUARY 2023****10 Debtors**

	2023	2022
	£000	£000
Amounts falling due within one year:		
Trade debtors	2,888	6,009
Corporation tax recoverable	-	40
Amounts owed by group undertakings	7,841	6,930
Other debtors	7,194	95
Prepayments and accrued income	9,967	125
	<u>27,890</u>	<u>13,199</u>

Amounts owed by group undertakings are unsecured and repayable on demand. No interest is charged on the balance.

11 Creditors: amounts falling due within one year

	2023	2022
	£000	£000
Trade creditors	10,044	363
Amounts owed to group undertakings	20,841	21,864
Corporation tax	2,457	-
Accruals and deferred income	11,815	606
	<u>45,157</u>	<u>22,833</u>

Amounts owed to group undertakings are unsecured and payable on demand. No interest is charged on the balance.

12 Provisions for liabilities

	Notes	2023	2022
		£000	£000
Deferred tax liabilities	13	<u>1</u>	<u>-</u>

13 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	Liabilities	Liabilities
	2023	2022
Balances:	£000	£000
Accelerated capital allowances	<u>1</u>	<u>-</u>

BERNARD MATTHEWS FROZEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2023

13 Deferred taxation (Continued)

	2023 £000
Movements in the period:	
Liability at 3 January 2022	-
Charge to profit or loss	1
Liability at 1 January 2023	1

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

14 Share capital

	2023 Number	2022 Number	2023 £000	2022 £000
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	1	1	-	-
	1	1	-	-

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

15 Reserves

Profit and loss reserves

Profit and loss reserves comprise of cumulative profit and loss net of distributions to owners.

16 Related party transactions

Transactions with related parties

During the period the company entered into the following transactions with related parties:

	Sales 2023 £000	2022 £000	Purchases 2023 £000	2022 £000
Companies in which a shareholder and director has control	1,188	6,966	17,231	1,480

Loans to related parties

	2023 £000	2022 £000
Companies in which a shareholder and director has control	9,656	-

BERNARD MATTHEWS FROZEN LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 1 JANUARY 2023****16 Related party transactions (Continued)**

The following amounts were outstanding at the reporting end date:

	2023	2022
	£000	£000
Amounts due from related parties		
Companies in which a shareholder and director has control	253	4,200
	<u>253</u>	<u>4,200</u>

17 Ultimate controlling party

From 3 January 2022, the ultimate parent undertaking is Boparan Private Office Limited, prior to this date and from the beginning of the previous reporting period the ultimate parent undertaking was Amber REI Holdings Limited. The ultimate controlling parties are R S Boparan and B K Boparan.

The smallest and largest group within which the company is consolidated is headed by Boparan Private Office Limited. The consolidated accounts are available from its registered office, 2nd Floor Colmore Court, 9 Colmore Row, Birmingham, B3 2BJ.