

**Westbridge Food Group Limited**

**Annual report and consolidated  
financial statements**

**Registered number 06345373**

**31 December 2020**



## Contents

|                                                                                                       |    |
|-------------------------------------------------------------------------------------------------------|----|
| Strategic Report                                                                                      | 1  |
| Directors' report                                                                                     | 5  |
| Statement of directors' responsibilities in respect of the annual report and the financial statements | 8  |
| Independent auditor's report to the members of Westbridge Food Group Limited                          | 9  |
| Consolidated Profit and Loss Account and Other Comprehensive Income                                   | 13 |
| Consolidated Balance Sheet                                                                            | 14 |
| Company Balance Sheet                                                                                 | 15 |
| Consolidated Statement of Changes in Equity                                                           | 16 |
| Company Statement of Changes in Equity                                                                | 17 |
| Consolidated Cash Flow Statement                                                                      | 18 |
| Notes                                                                                                 | 19 |

## Strategic Report

### Principal activities

The principal activity of the company during the year was a holding company of a group whose principal activity is trading poultry.

### Business review

The trading result for the year was in line with expectations.

The Group reported strong sales growth as a result of developing new and innovative food products for existing and new customers, and from the transfer of some of the trade and operations from CP Foods (UK) Limited, another company that shares the same parent as the Group. Consequently working capital components and administrative expenses in the Group have increased proportionally.

The Group's core business continues to be poultry trading. In addition it offers a range of fish and party food lines to provide the customer with enhanced retail and food service solutions.

Reported Net Profit is impacted by the mark-to-market valuation of open foreign exchange contracts at the balance sheet date. These contracts hedge future purchase contracts, however the gain or loss reported on them can vary significantly depending on market exchange rates at the period close date. For this reason a Net Profit comparative excluding open derivative valuation is added to the key performance indicators below, which more accurately represents operational trading performance in the period.

### Key performance indicators

|                                                                                                             | 2020    | 2019    |
|-------------------------------------------------------------------------------------------------------------|---------|---------|
| Turnover (£000)                                                                                             | 449,611 | 328,146 |
| Gross Margin % (being Gross Profit divided by Turnover)                                                     | 3.78%   | 3.88%   |
| Administrative Expenses (£000)                                                                              | 9,567   | 7,437   |
| Net profit (being profit on ordinary activities before taxation (£000))                                     | 1,091   | 919     |
| Net profit (being profit on ordinary activities before taxation excluding open derivative valuation (£000)) | 5,682   | 3,975   |

During the year Westbridge Food Group immediate parent changed from CPF Investment Limited to CPF Europe S.A., another group company whose ultimate parent is Charoen Pokphand Foods Public Company Limited.

### Principal risks and uncertainties

The financial risks of the Group are described below.

#### *Legislative risk*

The Group is subject to UK quota legislation on poultry imported from outside of the UK. On leaving the EU, the UK quota legislation has changed, which will continue to be a risk and an opportunity that could affect future Group performance.

#### *Financial risk management*

The Group's operations expose it to a variety of financial risks that include the effects of movements in exchange rates, changes in credit risk, liquidity risk and interest rate risk. The Group has in place a risk management programme that is described below.

#### *Exchange rate risk*

The Group is exposed to translation and transaction foreign exchange risk. In relation to translation risk, as far as possible the assets held in the foreign currency are matched to an appropriate level of borrowings in the same currency. Transactional foreign exchange risk is mitigated by entering into forward foreign exchange contracts which are matched, as far as possible to forecast supplier purchases and customer deliveries. Whilst the aim is to achieve a minimum cost from currency exposures by the use of derivatives the Group does not adopt an accounting policy of hedge accounting for these financial statements.

## Strategic Report (*continued*)

### ***Credit risk***

The Group's principal financial assets are cash and trade debtors. The credit risk associated with the cash is limited as the counterparties have high credit ratings assigned by international credit rating agencies. The principal credit risk arises therefore from its trade debtors. In order to manage credit risk the directors have credit insurance in place and frequently monitor and review customer credit ratings.

### ***Liquidity risk***

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs through forecasting and to invest cash assets safely and profitably.

### ***Interest rate risk***

The Group is exposed to interest rate fluctuations on its borrowings as the majority of its bank facilities are at floating rates. With interest rates having remained relatively stable for a number of years and no obvious indications that this will change in the short to medium term, the Group feel their exposure to material interest rate changes is low.

### ***Brexit***

The Group recognises the outcome of the UK/EU free trade agreement could affect future financial performance. The Directors regularly review the latest developments to assess how, particularly in respect of free trade agreements, import quotas and tariffs could affect the supply chain in the future. The Group's diversified supply base, industry knowledge and strong relationships enable the Directors to feel confident that the Group will continue to thrive and be the partner of choice for customers in the future.

### ***Covid-19***

The impact of the Covid-19 outbreak in 2020 changed consumer consumption. Initially sales to foodservice, quick-service restaurants and food-to-go establishments reduced, whilst retail channels saw an increase in demand. As government restrictions on social distancing have relaxed, food outlets have modified their sales opportunity, and demand has improved. Despite the restrictions on eating out in the start of the year, in 2021 we have seen an uptick in demand compared with the same time in 2020.

Financially the Group is in good financial health, has not required to access Government Covid-19 loans, and continues to trade profitably in 2021.

### ***Future events***

In 2021, the Group intends to amalgamate some more of the operations of C.P. Foods (UK) Limited, a jointly-managed fellow group member of the ultimate parent, Charoen Pokphand Foods Public Company Limited. This will increase the size and simplify the combined operations of the Group. Following the UK's exit from the EU, the Group intends to review its legal entity structure to ensure its size and structure is appropriate for running its operations in an efficient manner.

### ***S172 (1) Statement***

The directors consider that, as set out under section 172(1) of the Companies Act 2006, they have, in good faith, acted in a way that they consider would promote the success of the Company. In doing so, the directors have given due regard to the interests of key stakeholder groups and have assessed the likely consequences of decisions on the Group's long-term performance and its reputation.

The following elements inform all of the board's decision-making processes:

**Strategy** – During board and shareholder review meetings, the directors review strategic progress and key performance indicators. The Group shares the performance and annual objectives with all employees in a collective forum, allowing all voices to be heard, in a collaborative way.

**Performance** – The directors regularly review the performance of the company, taking into account how significant future events (for example trade agreements, Covid-19, Regulation changes) could impact the Company's projected forecasted performance, and deciding the best course of action.

## Strategic Report *(continued)*

**Governance** – The directors are committed to ensuring good governance, beginning with the foundation of strong internal controls, and a company culture where employees have open access to management at all levels. All employees are encouraged to be curious, to speak up if they witness anything requiring further investigation, and to offer new ideas or initiatives that will strengthen existing processes and procedures.

All employees receive a company handbook with code of conduct, ethics and compliance information, which the company regularly reviews and updates to meet changing business needs.

As part of good governance, the directors ensure that the balance sheet of the company is robust. This is the cornerstone of our ability to weather differing economic cycles, enabling us to raise additional borrowing as required, make the necessary investments from which to grow, and provide assurance to our supply chain partners. Consequently, following another year of profitable growth, the directors have not proposed a dividend distribution.

Below are our key stakeholders and how we have engaged with them in the decision-making process:

### Customers

Westbridge Foods Group is committed to help our customers thrive in the markets in which they operate. The directors and management play a key role to ensure this is done in a safe, efficient and ethical manner, throughout the supply chain from origination to delivery destination. The company's approach is to create long term partnerships, prioritising the customer, listening to feedback, developing new innovative products, and reducing risk in the supply chain. As a result of this approach we have built a growing business.

### Employees

Westbridge Food Group has a strong commitment to its workforce. We recognise that our people are our most valuable asset, fundamental to the success of the Company, and striving to exceed our stakeholder's expectations. We make a conscious effort to attract and retain high calibre staff, offering equal opportunities and without discrimination. The success of individuals and teams enables the Company to achieve its objectives, which enables growth and further opportunities for individuals to prosper in their careers.

### Suppliers and other business partners

The reputation and strength of Westbridge Food Group is built upon the trust the company has developed with its supply chain partnerships. Together we form a critical function to meet the needs of our joint customers. The company operates very closely with suppliers to create reliable and robust relationships, through which our customers can be assured that orders will be delivered on time, in full.

### Shareholders

Our shareholders are vital for the future success of the company. Our ultimate shareholders, through our parent company, provide their strategic vision and support for the future growth and direction of the company. In return, we provide market intelligence, regular performance updates, offer growth opportunities and add value our parent company in support of the overall group business plan.

### Community and Environment

The Company understands it carries a responsibility in the communities and geographies in which it operates. In doing so, the company aims to source goods and services from local suppliers where economically possible, and make donations to local charities, often supporting employee identified charities. In order to minimise the impact on the environment the company seeks to continuously drive efficiencies in its supply chains, for example maximising order loads where possible. The directors recognise that adopting environmentally-friendly policies can also benefit the success of the company, both financially and in respect of our customer and supplier expectations. The impact of the COVID-19 pandemic has identified opportunities to reduce some journeys, hold more virtual meetings and the company has offered environmentally friendly options when renewing some car leases.

## Strategic Report *(continued)*

By order of the board

A handwritten signature in black ink, appearing to read 'N Shaw', with a stylized flourish above it.

**N Shaw**  
*Director*

04 June 2021

## Directors' report

The directors present their annual report and consolidated financial statements for the year ended 31 December 2020.

### Directors

The directors who held office during the year were as follows:

J Middleton

N C Shaw

S Yingchankul

P Boondoungprasert

P Chalongchaichan

P Chiaravutthi (Appointed 28th September 2020)

A Julintron (Appointed 28th September 2020)

V Singhpuck (Appointed 28th September 2020)

P Chirakitchareem (Appointed 28th September 2020)

D J Hurley (Resigned 28th September 2020)

S Lasomboon (Resigned 28th September 2020)

P Ohmpornnuwat (Resigned 28th September 2020)

### Political and charitable contributions

During the year, the Company made charitable donations of £6,923 (2019:£11,330). The Company made no political donations in either the current or preceding year.

### Disclosure of information 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 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 auditor is aware of that information.

### Going Concern

An overview of the business activities of Group, including a review of the key business risks that the Group faces, is given in the Strategic Report on page 1.

The Directors have prepared trading and cash flow forecasts for the 12-month period from the date of approval of these financial statements. These forecasts show that the Group has sufficient financial resources to meet its obligations as they fall due for the period of at least 12 months from the date of these financial statements. The forecasts make assumptions in respect of future market conditions and the potential impact of COVID-19 related disruption on demand and supply chains based on our experience in the first quarter of 2021. The forecasts take into account some variability of potential outcomes, to an extent which the directors consider represent their best estimate of the future based on the information that is available to them at the time of approval of these financial statements.

The directors have also prepared a downside forecast which incorporates certain adverse sensitivities which the directors consider most likely to impact cash flows over the period of the forecast, these include the impact of further lockdowns in Q4 2021 and Q1 2022, however, as noted above the experience of the lockdown in Q1 2021 demonstrates that the group and its major customers and suppliers have learned how to mitigate the impact of such a lockdown during COVID-19 trading restrictions. This downside forecast also confirms the Group's ability to continue as a going concern.

## Directors' report *(continued)*

### Going Concern *(continued)*

The Group is financed through a series of short-term revolving loans and a rolling receivables facility. Whilst the group has successfully operated its funding in this way for many years, as these loans are not committed for the whole of the forecast period, the directors have sought confirmation by way of a letter of group support from its main trading partner, and fellow group company, C.P. Merchandising Co. Ltd, whose ultimate parent is the Charoen Pokphand Foods Public Company Limited. This letter of group support whilst limited to a trading relationship provides the Group the flexibility to manage its working capital to absorb short term disruptions to its revolving or rolling facilities, allowing the group to satisfy any debts or obligations that fall due for the 12 month period following the signing date of the Statutory Accounts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The directors are of the view that they can reasonably conclude that the Group has adequate resources to continue in operational existence for the foreseeable future and they can continue to adopt the going concern basis in preparing the financial statements. Accordingly, the financial statements have been prepared on a going concern basis and these financial statements do not include any adjustments that would result if the going concern basis of preparation was inappropriate.

### Energy and Emissions Report

In accordance with streamlined energy and carbon reporting requirements, during the year ended 31 December 2020, the Group's energy usage was as follows

|                                                                              | 2020      |            |
|------------------------------------------------------------------------------|-----------|------------|
|                                                                              | MT CO2e   | MwH        |
| Combustion of fuel and operating of facilities (scope 1)                     | 41        | 175        |
| Electricity, heat, steam and cooling purchased for own use (scope 2)         | -         | -          |
| Business travel where the Group is responsible for purchasing fuel (scope 3) | 4         | 17         |
| <b>Total</b>                                                                 | <b>45</b> | <b>192</b> |
| Emission intensity (scope 1, 2 & 3) - MT CO2e/Revenue £m                     | 0.10      |            |

The Group's energy consumption calculations are based on Greenhouse Gas (GHG) Protocol Accounting and Reporting Standard.

Some of the activities undertaken by the group to improve its carbon footprint:

- Moved a number of company cars to hybrid/electric
- Installed electric vehicle charging points at the company's offices in Malvern

### Dividends

No dividends were declared in 2020.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.



## **Directors' report** *(continued)*

By order of the board

A handwritten signature in black ink, appearing to read 'N Shaw', with a stylized flourish above the name.

**N Shaw**  
*Director*

Polonia House Enigma Commercial Centre,  
Sandy's Rd,  
Malvern  
WR14 1JJ  
Date: 04 June 2021

## **Statement of directors' responsibilities in respect of the Strategic report, Directors report and the financial statements**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the group's profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent auditor's report to the members of Westbridge Food Group Limited**

### **Opinion**

We have audited the financial statements of Westbridge Food Group Limited ("the company") for the year ended 31 December 2020 which comprise the Consolidated Profit and Loss Account and Other Comprehensive Income, consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company statement of Changes in Equity and Consolidated Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the company will continue in operation.

#### **Fraud and breaches of laws and regulations – ability to detect**

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Reading board minutes
- Considering remuneration incentive schemes and performance targets for directors
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there is limited perceived pressure and opportunity and there are no indicators that management knowingly or intentionally will commit a dishonest act.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

We did not identify any additional fraud risks.

#### **Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations**

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, recognising the nature of the Group’s activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

#### **Context of the ability of the audit to detect fraud or breaches of law or regulation**

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial

statements, the less likely the inherently limited procedures required by auditing standards would identify it.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Xavier Timmermans (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
*KPMG LLP*  
*One Snowhill*  
*Snow Hill Queensway*  
*Birmingham*  
*B4 6GH*

07 June 2021

**Consolidated Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 December 2020*

|                                                                   | Note | 2020<br>£000   | 2019<br>£000   |
|-------------------------------------------------------------------|------|----------------|----------------|
| <b>Turnover</b>                                                   | 2    | <b>449,611</b> | <b>328,146</b> |
| Cost of sales                                                     | 13   | (432,618)      | (315,398)      |
| <b>Gross profit</b>                                               |      | <b>16,993</b>  | <b>12,748</b>  |
| Distribution costs                                                |      | (5,118)        | (4,145)        |
| Administrative expenses                                           |      | (9,567)        | (7,437)        |
| Other operating income                                            | 3    | 49             | 943            |
| <b>Group operating profit</b>                                     |      | <b>2,357</b>   | <b>2,109</b>   |
| Group's share of profit in Joint Ventures                         | 12   | 72             | 94             |
| Other interest receivable and similar income                      | 7    | 81             | 26             |
| Interest payable and similar expenses                             | 8    | (1,419)        | (1,310)        |
| <b>Profit before taxation</b>                                     |      | <b>1,091</b>   | <b>919</b>     |
| Tax on profit                                                     | 9    | (344)          | (262)          |
| <b>Profit for the financial year</b>                              |      | <b>747</b>     | <b>657</b>     |
| <b>Other comprehensive income</b>                                 |      |                |                |
| Foreign exchange differences on translation of foreign operations |      | (27)           | (3)            |
| <b>Other comprehensive income for the year, net of income tax</b> |      | <b>(27)</b>    | <b>(3)</b>     |
| <b>Total comprehensive income for the year</b>                    |      | <b>720</b>     | <b>654</b>     |

The notes on pages 19 to 39 form part of these financial statements.

**Consolidated Balance Sheet**  
*at 31 December 2020*

|                                                       | Note | 2020<br>£000 | 2019<br>£000 |
|-------------------------------------------------------|------|--------------|--------------|
| <b>Fixed assets</b>                                   |      |              |              |
| Goodwill                                              | 10   | 2,060        | 2,542        |
| Software                                              | 10   | 55           | 126          |
| Tangible assets                                       | 11   | 483          | 422          |
| Investments in Joint Ventures                         | 12   | 166          | 91           |
|                                                       |      | <hr/>        | <hr/>        |
|                                                       |      | 2,764        | 3,181        |
| <b>Current assets</b>                                 |      |              |              |
| Stocks                                                | 13   | 106,614      | 68,493       |
| Debtors                                               | 14   | 108,133      | 73,307       |
| Cash at bank and in hand                              | 15   | 44,130       | 27,715       |
|                                                       |      | <hr/>        | <hr/>        |
|                                                       |      | 258,877      | 169,515      |
| <b>Creditors: amounts falling due within one year</b> | 16   | (220,857)    | (132,632)    |
|                                                       |      | <hr/>        | <hr/>        |
| <b>Net current assets</b>                             |      | 38,020       | 36,883       |
| <b>Total assets less current liabilities</b>          |      | <hr/>        | <hr/>        |
|                                                       |      | 40,784       | 40,064       |
| <b>Net assets</b>                                     |      | <hr/>        | <hr/>        |
|                                                       |      | 40,784       | 40,064       |
| <b>Capital and reserves</b>                           |      |              |              |
| Called up share capital                               | 19   | -            | -            |
| Share premium account                                 | 19   | 1,575        | 1,575        |
| Other reserves                                        | 19   | 519          | 546          |
| Profit and loss account                               | 19   | 38,690       | 37,943       |
|                                                       |      | <hr/>        | <hr/>        |
| <b>Shareholders' funds</b>                            |      | 40,784       | 40,064       |
|                                                       |      | <hr/>        | <hr/>        |

The notes on pages 19 to 39 form part of these financial statements.

These financial statements were approved by the board of directors on 04 June 2021 and were signed on its behalf by:



**N Shaw**  
Director

Company registered number: 06345373



**Company Balance Sheet**  
*at 31 December 2020*

|                                                       | Note | 2020<br>£000  | 2019<br>£000  |
|-------------------------------------------------------|------|---------------|---------------|
| <b>Fixed assets</b>                                   |      |               |               |
| Investments in subsidiaries                           | 12   | 9,364         | 9,364         |
| Investments in Joint Ventures                         | 12   | 16            | 16            |
|                                                       |      | <u>9,380</u>  | <u>9,380</u>  |
| <b>Current assets</b>                                 |      |               |               |
| Debtors                                               | 14   | 6,170         | 4,735         |
| <b>Creditors: amounts falling due within one year</b> | 16   | (25)          | (1,449)       |
| <b>Net current asset</b>                              |      | <u>6,145</u>  | <u>3,286</u>  |
| <b>Total assets less current liabilities</b>          |      | <u>15,525</u> | <u>12,666</u> |
| <b>Net assets</b>                                     |      | <u>15,525</u> | <u>12,666</u> |
| <b>Capital and reserves</b>                           |      |               |               |
| Called up share capital                               | 19   | -             | -             |
| Share premium account                                 | 19   | 1,575         | 1,575         |
| Profit and loss account                               | 19   | 13,950        | 11,091        |
| <b>Shareholders' funds</b>                            |      | <u>15,525</u> | <u>12,666</u> |

The notes on pages 19 to 39 form part of these financial statements.

These financial statements were approved by the board of directors on 04 June 2021 and were signed on its behalf by:



**N Shaw**  
*Director*

Company registered number: 06345373

## Consolidated Statement of Changes in Equity at 31 December 2020

|                                                  | Called up<br>Share<br>capital<br>£000 | Share<br>Premium<br>account<br>£000 | Other<br>reserve<br>£000 | Profit &<br>loss<br>account<br>£000 | Total equity<br>£000 |
|--------------------------------------------------|---------------------------------------|-------------------------------------|--------------------------|-------------------------------------|----------------------|
| Balance at 1 January 2019                        | -                                     | 1,575                               | 549                      | 37,286                              | 39,410               |
| <b>Total comprehensive income for the period</b> |                                       |                                     |                          |                                     |                      |
| Profit or loss                                   | -                                     | -                                   | -                        | 657                                 | 657                  |
| Other comprehensive income                       | -                                     | -                                   | (3)                      | -                                   | (3)                  |
| <b>Total comprehensive income for the period</b> | -                                     | -                                   | (3)                      | 657                                 | 654                  |
| Balance at 31 December 2019                      | -                                     | 1,575                               | 546                      | 37,943                              | 40,064               |
| Balance at 1 January 2020                        | -                                     | 1,575                               | 546                      | 37,943                              | 40,064               |
| <b>Total comprehensive income for the period</b> |                                       |                                     |                          |                                     |                      |
| Profit or loss                                   | -                                     | -                                   | -                        | 747                                 | 747                  |
| Other comprehensive income                       | -                                     | -                                   | (27)                     | -                                   | (27)                 |
| <b>Total comprehensive income for the period</b> | -                                     | -                                   | (27)                     | 747                                 | 720                  |
| <b>Balance at 31 December 2020</b>               | -                                     | 1,575                               | 519                      | 38,690                              | 40,784               |

The notes on pages 19 to 39 form part of these financial statements.

## Company Statement of Changes in Equity

*at 31 December 2020*

|                                                  | Called up<br>Share<br>capital<br>£000 | Share<br>Premium<br>account<br>£000 | Other<br>reserve<br>£000 | Profit & loss<br>account<br>£000 | Total equity<br>£000 |
|--------------------------------------------------|---------------------------------------|-------------------------------------|--------------------------|----------------------------------|----------------------|
| Balance at 1 January 2019                        | -                                     | 1,575                               | -                        | 6,155                            | 7,730                |
| <b>Total comprehensive income for the period</b> |                                       |                                     |                          |                                  |                      |
| Profit or loss                                   | -                                     | -                                   | -                        | 4,936                            | 4,936                |
| Total comprehensive income for the period        | -                                     | -                                   | -                        | 4,936                            | 4,936                |
| Balance at 31 December 2019                      | -                                     | 1,575                               | -                        | 11,091                           | 12,666               |
| Balance at 1 January 2020                        | -                                     | 1,575                               | -                        | 11,091                           | 12,666               |
| <b>Total comprehensive income for the period</b> |                                       |                                     |                          |                                  |                      |
| Profit or loss                                   | -                                     | -                                   | -                        | 2,859                            | 2,859                |
| Total comprehensive income for the period        | -                                     | -                                   | -                        | 2,859                            | 2,859                |
| <b>Balance at 31 December 2020</b>               | -                                     | 1,575                               | -                        | 13,950                           | 15,525               |

The notes on pages 19 to 39 form part of these financial statements.

## Consolidated Cash Flow Statement for year ended 31 December 2020

|                                                               | <i>Note</i> | <b>2020</b><br>£000 | 2019<br>£000    |
|---------------------------------------------------------------|-------------|---------------------|-----------------|
| <b>Cash flows from operating activities</b>                   |             |                     |                 |
| Profit for the year                                           |             | 747                 | 657             |
| Adjustments for:                                              |             |                     |                 |
| Depreciation and amortisation                                 | 10, 11      | 648                 | 606             |
| Net fair value of derivative loss recognised in P&L           | 4           | 4,591               | 3,056           |
| Loss on exchange rate                                         | 4           | 442                 | 154             |
| Interest receivable and similar income                        | 7           | (81)                | (26)            |
| Interest payable and similar expenses                         | 8           | 1,419               | 1,310           |
| Gain on disposal of tangible fixed assets                     | 3           | -                   | (16)            |
| Group's share of profit in Joint Ventures                     | 12          | (72)                | (94)            |
| Taxation                                                      | 9           | 344                 | 262             |
|                                                               |             | <b>8,038</b>        | <b>5,909</b>    |
| Increase in trade and other debtors                           |             | (32,109)            | (37,271)        |
| Increase in stocks                                            |             | (38,121)            | (16,834)        |
| Increase in trade and other creditors                         |             | 35,895              | 34,369          |
|                                                               |             | <b>(26,297)</b>     | <b>(13,827)</b> |
| Tax (paid) refund                                             |             | (1,818)             | 710             |
| <b>Net cash from operating activities</b>                     |             | <b>(28,115)</b>     | <b>(13,117)</b> |
| <b>Cash flows from investing activities</b>                   |             |                     |                 |
| Proceeds from disposal of tangible fixed assets               |             | -                   | 16              |
| Interest received                                             |             | 81                  | 26              |
| Acquisition of tangible fixed assets                          | 11          | (140)               | (412)           |
| Acquisition of other intangible assets                        | 10          | (2)                 | (36)            |
| Increase in short term loan to related company                |             | (2,000)             | (1,700)         |
| <b>Net cash from investing activities</b>                     |             | <b>(2,061)</b>      | <b>(2,106)</b>  |
| <b>Cash flows from financing activities</b>                   |             |                     |                 |
| Dividend income received from Joint Ventures                  | 12          | -                   | 86              |
| Increase in invoice financing and import loan                 |             | 13,347              | 11,395          |
| Increase in short term loan from financial institution        |             | 20,000              | 4,000           |
| (Decrease) increase in short term loan from related companies |             | (3,768)             | 3,768           |
| Interest paid                                                 |             | (1,419)             | (1,310)         |
| <b>Net cash from financing activities</b>                     |             | <b>28,160</b>       | <b>17,939</b>   |
| Net (decrease) increase in cash and cash equivalents          |             | (2,016)             | 2,716           |
| Cash and cash equivalents at 1 January                        |             | 215                 | (2,529)         |
| Effect of exchange rate fluctuations on cash held             |             | (44)                | 28              |
| <b>Cash and cash equivalents at 31 December</b>               | 15          | <b>(1,845)</b>      | <b>215</b>      |
| <b>Cash and cash equivalents at 31 December comprise:</b>     |             |                     |                 |
| Cash at bank and in hand                                      | 15          | 44,130              | 27,715          |
| Bank overdrafts                                               | 15          | (45,975)            | (27,500)        |
|                                                               |             | <b>(1,845)</b>      | <b>215</b>      |

The notes on pages 19 to 39 form part of these financial statements.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

Westbridge Food Group Limited (the "Company") is a Company Limited by shares and incorporated, domiciled and registered in the UK. The registered number is 06345373 and the registered address is Polonia House Enigma Commercial Centre, Sandy's Road, Malvern, Worcestershire, WR14 1JJ.

These Group and parent Company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2015. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time.
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.17.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified at fair value through the profit or loss. Joint ventures measured at using the equity method in the consolidated financial statements and at historical cost in the company accounts.

#### 1.2 Going concern

An overview of the business activities of Group, including a review of the key business risks that the Group faces, is given in the Strategic Report on page 1.

The Directors have prepared trading and cash flow forecasts for the 12-month period from the date of approval of these financial statements. These forecasts show that the Group has sufficient financial resources to meet its obligations as they fall due for the period of at least 12 months from the date of these financial statements. The forecasts make assumptions in respect of future market conditions and the potential impact of COVID-19 related disruption on demand and supply chains based on our experience in the first quarter of 2021. The forecasts take into account some variability of potential outcomes, to an extent which the directors consider represent their best estimate of the future based on the information that is available to them at the time of approval of these financial statements.

The directors have also prepared a downside forecast which incorporates certain adverse sensitivities which the directors consider most likely to impact cash flows over the period of the forecast, these include the impact of further lockdowns in Q4 2021 and Q1 2022, however, as note above the experience of the lockdown in Q1 2021 demonstrates that the group and its major customers and suppliers have learned how to mitigate the impact of such a lockdown during COVID-19 trading restrictions. This downside forecast also confirms the Group's ability to continue as a going concern.

The Group is financed through a series of short-term revolving loans and a rolling receivables facility. Whilst the group has successfully operated its funding in this way for many years, as these loans are not committed for the whole of the forecast period, the directors have sought confirmation by way of a letter of group support from its main trading partner, and fellow group company, C.P. Merchandising Co. Ltd, whose ultimate parent is the Charoen Pokphand Foods Public Company Limited. This letter of group support whilst limited to a trading relationship provides the

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.2 Going concern (continued)

Group the flexibility to manage its working capital to absorb short term disruptions to its revolving or rolling facilities, allowing the group to satisfy any debts or obligations that fall due for the 12 month period following the signing date of the Statutory Accounts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The directors are of the view that they can reasonably conclude that the Group has adequate resources to continue in operational existence for the foreseeable future and they can continue to adopt the going concern basis in preparing the financial statements. Accordingly, the financial statements have been prepared on a going concern basis and these financial statements do not include any adjustments that would result if the going concern basis of preparation was inappropriate

#### 1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2020. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

A joint venture is a contractual arrangement undertaking in which the Group exercises joint control over the operating and financial policies of the entity. Where the joint venture is carried out through an entity, it is treated as a jointly controlled entity. The Group's share of the profits less losses of associates and of jointly controlled entities is included in the consolidated profit and loss account and its interest in their net assets is recorded on the balance sheet using the equity method.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries and jointly controlled entities are carried at cost less impairment.

#### 1.4 Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account except for differences arising on the retranslation of qualifying cash flow hedges and items which are fair valued with changes taken to other comprehensive income, which are recognised in other comprehensive income.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.5 Basic financial instruments

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

#### 1.6 Other financial instruments

##### *Financial instruments not considered to be Basic financial instruments (Other financial instruments)*

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment; and
- hedging instruments in a designated hedging relationship shall be recognised as set out below.

##### *Derivative financial instruments and hedging*

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

##### *Fair value hedges*

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in profit or loss. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on remeasurement are recognised immediately in the income statement (even if those gains would normally be recognised directly in reserves).

If hedge accounting is discontinued and the hedged financial asset or liability has not been derecognised, any adjustments to the carrying amount of the hedged item are amortised into profit or loss using the effective interest method over the remaining life of the hedged item.

The Group has not opted for hedge accounting, hence all changes in fair value are recognised in the profit or loss account.

#### 1.7 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets are impaired.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.7 Tangible fixed assets (continued)

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

|                                         |            |
|-----------------------------------------|------------|
| L/Term Leasehold Property               | 5-10 years |
| Equipment, tools and machinery          | 3-10 years |
| Motor vehicles                          | 4-5 years  |
| Fixtures, Fittings and office equipment | 2-5 years  |

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

#### 1.8 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the group recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

#### 1.9 Intangible assets, goodwill and negative goodwill

##### Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

##### Other intangible assets

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of intangible asset acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

##### Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

|          |            |
|----------|------------|
| Software | 3-10 years |
|----------|------------|

The basis for choosing these useful lives is management's best estimate of the useful life of this intangible.



## Notes (continued)

### 1 Accounting policies (continued)

#### 1.9 Intangible assets, goodwill and negative goodwill (continued)

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 10 to 20 years.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

#### 1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs including import duties on purchase of stock and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

#### 1.11 Impairment excluding stocks and deferred tax assets

##### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

##### *Non-financial assets*

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.12 Employee benefits

##### *Defined contribution plans and other long term employee benefits*

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 profit and loss account in the periods during which services are rendered by employees.

#### 1.13 Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the parent Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

#### 1.14 Turnover

Turnover represents the invoiced value, net of value added tax, of goods sold to customers. Turnover is recognised at the point that risks and rewards are transferred to the customer, which will be the point of despatch or the point of receipt, depending on trading terms.

#### 1.15 Expenses

##### *Operating lease*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

##### *Interest receivable and Interest payable*

Interest payable and similar expenses include interest payable, finance expenses on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.16 Taxation

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

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 balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### 1.17 Accounting estimates and judgements

The preparation of the consolidated financial statements requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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 and in any future periods impacted.

The key judgements and estimates employed in the financial statements are considered below.

##### Valuation of other intangible assets

The assessment of fair value in a business combination requires the recognition and measurement of the identifiable assets, liabilities and contingent liabilities in the acquired business. The key judgements required are the identification of intangible assets meeting the recognition criteria of Section 18 of FRS102 and their attributable fair values. The key assumptions in relation to the customer relationship valuation are the Directors' best estimate of its life and discount rate used in its valuation. The value of customer relationship assets are based on a calculation of expected future cash flows, which include estimates of future performance.

##### Stock

Stock are valued at the lower of cost and net realisable value, being the estimated selling price based on industry knowledge less costs to complete and sell. Provisions are held in respect of slow-moving stock.

## Notes (continued)

### 2 Turnover

|                        | 2020<br>£000   | 2019<br>£000   |
|------------------------|----------------|----------------|
| Sale of goods          | 449,611        | 328,146        |
| By geographical market |                |                |
| United Kingdom         | 406,073        | 271,784        |
| Europe                 | 41,779         | 56,023         |
| Australia              | 1,705          | 339            |
| Thailand               | 54             | -              |
|                        | <u>449,611</u> | <u>328,146</u> |

The whole of the turnover is attributable to the trade of poultry, fish and party food.

### 3 Other operating income

|                               | 2020<br>£000 | 2019<br>£000 |
|-------------------------------|--------------|--------------|
| Management Fee Income         | 49           | 927          |
| Gain on sales of fixed assets | -            | 16           |
|                               | <u>49</u>    | <u>943</u>   |

### 4 Expenses and auditor's remuneration

*Included in profit/loss are the following:*

|                                       | 2020<br>£000 | 2019<br>£000 |
|---------------------------------------|--------------|--------------|
| Salaries, wages and employee expenses | 4,569        | 4,309        |
| Loss on exchange rate                 | 5,033        | 3,210        |
| Management Fee                        | 2,054        | -            |
| Stock (reversal) provision            | 977          | (329)        |
| Amortisation of software and goodwill | 574          | 565          |
| Operating lease rentals               | 345          | 399          |
| Depreciation of tangible fixed assets | 74           | 41           |
|                                       | <u></u>      | <u></u>      |

*Auditor's remuneration:*

Audit of these financial statements

Amounts receivable by the company's auditor and its associates in respect of:  
Audit of financial statements of subsidiaries of the company

|           |           |
|-----------|-----------|
| <u>68</u> | <u>67</u> |
|-----------|-----------|

## Notes (continued)

### 5 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

|                                | Number of employees |           |
|--------------------------------|---------------------|-----------|
|                                | 2020                | 2019      |
| Number of administrative staff | 77                  | 69        |
| Number of distribution staff   | 9                   | 10        |
| Number of management staff     | 6                   | 5         |
|                                | <u>92</u>           | <u>84</u> |

The aggregate payroll costs of these persons were as follows:

|                                             | 2020<br>£000 | 2019<br>£000 |
|---------------------------------------------|--------------|--------------|
| Wages and salaries                          | 4,080        | 3,952        |
| Social security costs                       | 304          | 228          |
| Contributions to defined contribution plans | 185          | 129          |
|                                             | <u>4,569</u> | <u>4,309</u> |

### 6 Directors' remuneration

|                                                         | 2020<br>£000 | 2019<br>£000 |
|---------------------------------------------------------|--------------|--------------|
| Directors' emoluments                                   | 767          | 810          |
| Company contributions to money purchase pension schemes | 28           | 25           |

The aggregate of emoluments of the highest paid director was £200 thousand (2019: £202 thousand) and Company pension contributions of £ NIL (2019: £NIL) were made to a money purchase pension scheme on his behalf.

|                                                                              | Number of directors |      |
|------------------------------------------------------------------------------|---------------------|------|
|                                                                              | 2020                | 2019 |
| Retirement benefits are accruing to the following number of directors under: |                     |      |
| Money purchase schemes                                                       | 2                   | 2    |

### 7 Other interest receivable and similar income

|                                        | 2020<br>£000 | 2019<br>£000 |
|----------------------------------------|--------------|--------------|
| Interest receivable from related party | 80           | 15           |
| Other interest receivable              | 1            | 11           |
|                                        | <u>81</u>    | <u>26</u>    |

### 8 Interest payable and similar expenses

|                          | 2020<br>£000 | 2019<br>£000 |
|--------------------------|--------------|--------------|
| Interest on bank loans   | 1,299        | 1,070        |
| Loans from related party | 120          | 240          |
|                          | <u>1,419</u> | <u>1,310</u> |

## Notes (continued)

### 9 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

|                                                | 2020<br>£000 | £000  | 2019<br>£000 | £000  |
|------------------------------------------------|--------------|-------|--------------|-------|
| <i>UK corporation tax</i>                      |              |       |              |       |
| Current tax on income for the period           | 968          |       | 736          |       |
| Adjustments in respect of previous periods     | (53)         |       | (67)         |       |
| <i>Foreign corporation tax</i>                 |              |       |              |       |
| Current tax on income for the period           | 149          |       | 59           |       |
| Adjustments in respect of previous periods     | (3)          |       | 59           |       |
|                                                |              |       |              |       |
| Total current tax                              |              | 1,061 |              | 787   |
| <i>Deferred tax (see note 18)</i>              |              |       |              |       |
| Origination and reversal of timing differences | (763)        |       | (534)        |       |
| Adjustments in respect of prior periods        | 46           |       | 9            |       |
|                                                |              |       |              |       |
| Total deferred tax                             |              | (717) |              | (525) |
|                                                |              |       |              |       |
| Total tax                                      |              | 344   |              | 262   |

All of the above tax charges/(credits) have been recognised in the profit and loss account.

#### Reconciliation of effective tax rate

The current year tax charge is higher (2019: lower) than the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

|                                                                 | 2020<br>£000 | 2019<br>£000 |
|-----------------------------------------------------------------|--------------|--------------|
| Profit for the year                                             | 747          | 657          |
| Total tax (charges)/credits                                     | (344)        | (262)        |
|                                                                 |              |              |
| Profit excluding taxation                                       | 1,091        | 919          |
| Tax using the UK corporation tax rate of 19.00 % (2019: 19.00%) | 208          | 175          |
| <i>Effect of:</i>                                               |              |              |
| Non-deductible expenses                                         | 57           | 62           |
| Fixed asset differences                                         | 7            | -            |
| Utilisation of tax losses – carried back                        | -            | 4            |
| Deferred tax not recognised                                     | 183          | -            |
| Other permanent differences                                     | 52           | 42           |
| Adjustments to tax charge in respect of prior periods           | (56)         | (8)          |
| Adjustment to deferred tax in respect of prior periods          | 46           | 9            |
| Differences between foreign entities and UK tax rate            | (89)         | (67)         |
| Tax rate differences                                            | (50)         | 63           |
| Joint Venture                                                   | (14)         | (18)         |
|                                                                 |              |              |
| Total tax expense included in profit or loss                    | 344          | 262          |

#### Factors that may affect future current and total tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset/liability as at 31 December 2020 has been calculated based on this rate. In the 11 March 2020 Budget, it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020. This will have a consequential effect on the company's future tax charge.

## Notes (continued)

### 10 Goodwill and software

| <i>Group</i>                            | <b>Goodwill<br/>£000</b> | <b>Software<br/>£000</b> | <b>Total<br/>£000</b> |
|-----------------------------------------|--------------------------|--------------------------|-----------------------|
| <b>Cost</b>                             |                          |                          |                       |
| Balance at 1 January                    | 7,624                    | 365                      | 7,989                 |
| Additions                               | -                        | 2                        | 2                     |
| Balance at 31 December                  | 7,624                    | 367                      | 7,991                 |
| <b>Amortisation and impairment</b>      |                          |                          |                       |
| Balance at 1 January                    | 5,082                    | 239                      | 5,321                 |
| Amortisation for the year               | 501                      | 73                       | 574                   |
| Effect of movements in foreign exchange | (19)                     | -                        | (19)                  |
| Balance at 31 December                  | 5,564                    | 312                      | 5,876                 |
| <b>Net book value</b>                   |                          |                          |                       |
| <b>At 31 December 2020</b>              | <b>2,060</b>             | <b>55</b>                | <b>2,115</b>          |
| At 31 December 2019                     | 2,542                    | 126                      | 2,668                 |

#### *Amortisation and impairment charge*

The amortisation, impairment charge and impairment reversals are recognised in administrative expenses within the profit and loss account.

### 11 Tangible fixed assets

| <i>Group</i>                            | <b>L/Term<br/>Leasehold<br/>Property<br/>£000</b> | <b>Equipment<br/>, tools and<br/>machinery<br/>£000</b> | <b>Motor<br/>vehicles<br/>£000</b> | <b>Fixtures,<br/>Fittings and<br/>office<br/>equipment<br/>£000</b> | <b>Assets in<br/>Construction<br/>£000</b> | <b>Total<br/>£000</b> |
|-----------------------------------------|---------------------------------------------------|---------------------------------------------------------|------------------------------------|---------------------------------------------------------------------|--------------------------------------------|-----------------------|
| <b>Cost</b>                             |                                                   |                                                         |                                    |                                                                     |                                            |                       |
| Balance at 1 January                    | 110                                               | 163                                                     | 152                                | 437                                                                 | 308                                        | 1,170                 |
| Additions                               | 62                                                | 25                                                      | -                                  | 22                                                                  | 31                                         | 140                   |
| Disposals                               | -                                                 | (7)                                                     | -                                  | -                                                                   | -                                          | (7)                   |
| Write off                               | -                                                 | (75)                                                    | -                                  | (36)                                                                | -                                          | (111)                 |
| Transfers from (to) other asset classes | -                                                 | 318                                                     | -                                  | -                                                                   | (318)                                      | -                     |
| Effect of movements in foreign exchange | (6)                                               | (5)                                                     | (5)                                | -                                                                   | -                                          | (16)                  |
| Balance at 31 December                  | 166                                               | 419                                                     | 147                                | 423                                                                 | 21                                         | 1,176                 |
| <b>Depreciation</b>                     |                                                   |                                                         |                                    |                                                                     |                                            |                       |
| Balance at 1 January                    | 106                                               | 144                                                     | 85                                 | 413                                                                 | -                                          | 748                   |
| Depreciation charge for the year        | 4                                                 | 38                                                      | 16                                 | 16                                                                  | -                                          | 74                    |
| Disposals                               | -                                                 | (7)                                                     | -                                  | -                                                                   | -                                          | (7)                   |
| Write off                               | -                                                 | (75)                                                    | -                                  | (36)                                                                | -                                          | (111)                 |
| Effect of movements in foreign exchange | (4)                                               | (4)                                                     | (3)                                | -                                                                   | -                                          | (11)                  |
| Balance at 31 December                  | 106                                               | 96                                                      | 98                                 | 393                                                                 | -                                          | 693                   |
| <b>Net book value</b>                   |                                                   |                                                         |                                    |                                                                     |                                            |                       |
| <b>At 31 December 2020</b>              | <b>60</b>                                         | <b>323</b>                                              | <b>49</b>                          | <b>30</b>                                                           | <b>21</b>                                  | <b>483</b>            |
| At 31 December 2019                     | 4                                                 | 19                                                      | 67                                 | 24                                                                  | 308                                        | 422                   |

## Notes (continued)

### 12 Fixed asset investments

#### Group

|                                         | Interests in Joint<br>Ventures<br>£000 |
|-----------------------------------------|----------------------------------------|
| <b>Cost or valuation</b>                |                                        |
| Balance at 1 January                    | 91                                     |
| Share of profit                         | 72                                     |
| Dividend received                       | -                                      |
| Effect of movements in foreign exchange | 3                                      |
| Balance at 31 December                  | <u>166</u>                             |
| <b>Net book value</b>                   |                                        |
| At 31 December 2020                     | <u>166</u>                             |
| At 31 December 2019                     | <u>91</u>                              |

#### Company

|                                      | Investment in<br>subsidiary<br>companies<br>£000 | Investment in<br>joint ventures<br>£000 | Total<br>£000 |
|--------------------------------------|--------------------------------------------------|-----------------------------------------|---------------|
| <b>Cost</b>                          |                                                  |                                         |               |
| At beginning of year and end of year | 9,364                                            | 16                                      | 9,380         |
| <b>Net book value</b>                |                                                  |                                         |               |
| At 31 December 2020                  | <u>9,364</u>                                     | <u>16</u>                               | <u>9,380</u>  |
| At 31 December 2019                  | <u>9,364</u>                                     | <u>16</u>                               | <u>9,380</u>  |

The undertakings in which the Group's and Company's interest at the year-end is more than 20% are as follows.

|                                                  | Principal activity                               | Country of<br>incorporation | Registered number  | Class of<br>share | Ownership<br>interest (%) |
|--------------------------------------------------|--------------------------------------------------|-----------------------------|--------------------|-------------------|---------------------------|
| <b>Subsidiary undertakings</b>                   |                                                  |                             |                    |                   |                           |
| Westbridge Foods Limited <sup>(1)</sup>          | Importer and distributor of meat and ready meals | United Kingdom              | 03443712           | Ordinary          | 100 %                     |
| Westbridge Food (Haydock) Limited <sup>(1)</sup> | Importer of poultry meat products                | United Kingdom              | 04289793           | Ordinary          | 100 %                     |
| Wignall Holdings Limited <sup>(1)</sup>          | Dormant                                          | United Kingdom              | 04975428           | Ordinary          | 100 %                     |
| Food Trac Limited <sup>(1)</sup>                 | Distribution of meat products                    | United Kingdom              | 04947328           | Ordinary          | 100 %                     |
| Westbridge Foods (Thailand) Limited              | Provision and development for food product       | Thailand                    | 0105549017911      | Ordinary          | 100 %                     |
| Westbridge (Qingdao) Trading Co Limited          | Provision and development for food product       | China                       | 913702146790628137 | Ordinary          | 100 %                     |
| Westbridge Foods (France) SARL                   | Distribution of meat products                    | France                      | 511157372          | Ordinary          | 100 %                     |
| Westbridge Holding B.V.                          | Investment                                       | Netherlands                 | 55690742           | Ordinary          | 100 %                     |



## Notes (continued)

### 12 Fixed asset investments (continued)

|                                             | Principal activity                | Country of incorporation | Registered number | Class of share | Ownership interest (%) |
|---------------------------------------------|-----------------------------------|--------------------------|-------------------|----------------|------------------------|
| <b>Subsidiary undertakings</b>              |                                   |                          |                   |                |                        |
| AB Chicken Ltd <sup>(1)</sup>               | Importer of poultry meat products | United Kingdom           | 06378922          | Ordinary       | 100 %                  |
| Abbeycroft Poultry Ltd <sup>(1), (2)</sup>  | Importer of poultry meat products | United Kingdom           | 06582386          | Ordinary       | 100 %                  |
| Action Poultry Ltd <sup>(1), (2)</sup>      | Importer of poultry meat products | United Kingdom           | 07188239          | Ordinary       | 100 %                  |
| AF Chicken Ltd <sup>(1)</sup>               | Importer of poultry meat products | United Kingdom           | 06378107          | Ordinary       | 100 %                  |
| Ancona Poultry Ltd <sup>(1), (2)</sup>      | Importer of poultry meat products | United Kingdom           | 07467663          | Ordinary       | 100 %                  |
| Andalusian Poultry Ltd <sup>(1), (2)</sup>  | Importer of poultry meat products | United Kingdom           | 07467761          | Ordinary       | 100 %                  |
| Appenzeller Poultry Ltd <sup>(1), (2)</sup> | Importer of poultry meat products | United Kingdom           | 07467750          | Ordinary       | 100 %                  |
| Araucana Poultry Ltd <sup>(1)</sup>         | Importer of poultry meat products | United Kingdom           | 07467737          | Ordinary       | 100 %                  |
| Arun Foods Ltd <sup>(1)</sup>               | Importer of poultry meat products | United Kingdom           | 07484940          | Ordinary       | 100 %                  |
| Ashop Poultry Ltd <sup>(1)</sup>            | Importer of poultry meat products | United Kingdom           | 07484910          | Ordinary       | 100 %                  |
| Avon Poultry Ltd <sup>(1)</sup>             | Importer of poultry meat products | United Kingdom           | 07484887          | Ordinary       | 100 %                  |
| Bantams Poultry Ltd <sup>(1)</sup>          | Importer of poultry meat products | United Kingdom           | 06582315          | Ordinary       | 100 %                  |
| Barbu Poultry Ltd <sup>(1)</sup>            | Importer of poultry meat products | United Kingdom           | 07467726          | Ordinary       | 100 %                  |
| Barnevelder Poultry Ltd <sup>(1)</sup>      | Importer of poultry meat products | United Kingdom           | 07467808          | Ordinary       | 100 %                  |
| Beacon Poultry Ltd <sup>(1)</sup>           | Importer of poultry meat products | United Kingdom           | 06904517          | Ordinary       | 100 %                  |
| Belmont Poultry Ltd <sup>(1)</sup>          | Importer of poultry meat products | United Kingdom           | 07188014          | Ordinary       | 100 %                  |
| Brahma Poultry Ltd <sup>(1)</sup>           | Importer of poultry meat products | United Kingdom           | 06582569          | Ordinary       | 100 %                  |
| Bransford Poultry Ltd <sup>(1)</sup>        | Importer of poultry meat products | United Kingdom           | 06734575          | Ordinary       | 100 %                  |
| Breinton Poultry Ltd <sup>(1)</sup>         | Importer of poultry meat products | United Kingdom           | 07188017          | Ordinary       | 100 %                  |
| Brookfield Poultry Ltd <sup>(1)</sup>       | Importer of poultry meat products | United Kingdom           | 07056456          | Ordinary       | 100 %                  |
| Buff Rock Poultry Ltd <sup>(1)</sup>        | Importer of poultry meat products | United Kingdom           | 07467818          | Ordinary       | 100 %                  |
| Caldew Poultry Ltd <sup>(1)</sup>           | Importer of poultry meat products | United Kingdom           | 07485220          | Ordinary       | 100 %                  |
| Chancel Poultry Ltd <sup>(1)</sup>          | Importer of poultry meat products | United Kingdom           | 06581940          | Ordinary       | 100 %                  |
| Chase End Poultry Ltd <sup>(1)</sup>        | Importer of poultry meat products | United Kingdom           | 06904507          | Ordinary       | 100 %                  |
| Chick-A-Dee Foods Ltd <sup>(1)</sup>        | Importer of poultry meat products | United Kingdom           | 06582450          | Ordinary       | 100 %                  |
| Chunky Chicken Ltd <sup>(1)</sup>           | Importer of poultry meat products | United Kingdom           | 04706129          | Ordinary       | 100 %                  |
| Church Street Poultry Ltd <sup>(1)</sup>    | Importer of poultry meat products | United Kingdom           | 05276205          | Ordinary       | 100 %                  |
| Croad Langshan Foods Ltd <sup>(1)</sup>     | Importer of poultry meat products | United Kingdom           | 07467796          | Ordinary       | 100 %                  |
| Defford Poultry Ltd <sup>(1)</sup>          | Importer of poultry meat products | United Kingdom           | 06734556          | Ordinary       | 100 %                  |
| Derwent Poultry Ltd <sup>(1)</sup>          | Importer of poultry meat products | United Kingdom           | 07484986          | Ordinary       | 100 %                  |
| Dochart Poultry Ltd <sup>(1)</sup>          | Importer of poultry meat products | United Kingdom           | 07485739          | Ordinary       | 100 %                  |
| Dorking Poultry Ltd <sup>(1)</sup>          | Importer of poultry meat products | United Kingdom           | 07468067          | Ordinary       | 100 %                  |
| Dulas Poultry Ltd <sup>(1)</sup>            | Importer of poultry meat products | United Kingdom           | 07188167          | Ordinary       | 100 %                  |
| DW Chicken Ltd <sup>(1)</sup>               | Importer of poultry meat products | United Kingdom           | 06366757          | Ordinary       | 100 %                  |
| Easy Cookin' Ltd <sup>(1)</sup>             | Importer of poultry meat products | United Kingdom           | 03855460          | Ordinary       | 100 %                  |

## Notes (continued)

### 12 Fixed asset investments (continued)

|                                          | Principal activity                | Country of incorporation | Registered number | Class of share | Ownership interest (%) |
|------------------------------------------|-----------------------------------|--------------------------|-------------------|----------------|------------------------|
| <b><i>Subsidiary undertakings</i></b>    |                                   |                          |                   |                |                        |
| Eddleston Poultry Ltd <sup>(1)</sup>     | Importer of poultry meat products | United Kingdom           | 07484939          | Ordinary       | 100 %                  |
| Eden Poultry Ltd <sup>(1)</sup>          | Importer of poultry meat products | United Kingdom           | 07485055          | Ordinary       | 100 %                  |
| Fabrica Poultry Ltd <sup>(1)</sup>       | Importer of poultry meat products | United Kingdom           | 07484808          | Ordinary       | 100 %                  |
| Faverolls Foods Ltd <sup>(1)</sup>       | Importer of poultry meat products | United Kingdom           | 07484439          | Ordinary       | 100 %                  |
| Fayoumi Poultry Ltd <sup>(1)</sup>       | Importer of poultry meat products | United Kingdom           | 07484281          | Ordinary       | 100 %                  |
| Fields International Ltd <sup>(1)</sup>  | Importer of poultry meat products | United Kingdom           | 03925460          | Ordinary       | 100 %                  |
| Fleche Poultry Ltd <sup>(1)</sup>        | Importer of poultry meat products | United Kingdom           | 07484559          | Ordinary       | 100 %                  |
| Fleet Poultry Ltd <sup>(1)</sup>         | Importer of poultry meat products | United Kingdom           | 07485783          | Ordinary       | 100 %                  |
| Fomentum Poultry Ltd <sup>(1)</sup>      | Importer of poultry meat products | United Kingdom           | 07484859          | Ordinary       | 100 %                  |
| Fownhope Poultry Ltd <sup>(1)</sup>      | Importer of poultry meat products | United Kingdom           | 07056458          | Ordinary       | 100 %                  |
| Frome Foods Ltd <sup>(1)</sup>           | Importer of poultry meat products | United Kingdom           | 07484917          | Ordinary       | 100 %                  |
| Gallina Poultry Ltd <sup>(1)</sup>       | Importer of poultry meat products | United Kingdom           | 07484900          | Ordinary       | 100 %                  |
| Gaur Poultry Ltd <sup>(1)</sup>          | Importer of poultry meat products | United Kingdom           | 07485805          | Ordinary       | 100 %                  |
| Goodness Me Ltd <sup>(1)</sup>           | Importer of poultry meat products | United Kingdom           | 03779776          | Ordinary       | 100 %                  |
| Gorsty Poultry Ltd <sup>(1)</sup>        | Importer of poultry meat products | United Kingdom           | 07188249          | Ordinary       | 100 %                  |
| Gover Poultry Ltd <sup>(1)</sup>         | Importer of poultry meat products | United Kingdom           | 07484977          | Ordinary       | 100 %                  |
| Great Malvern Poultry Ltd <sup>(1)</sup> | Importer of poultry meat products | United Kingdom           | 05941464          | Ordinary       | 100 %                  |
| Hamburg Poultry Ltd <sup>(1)</sup>       | Importer of poultry meat products | United Kingdom           | 07484440          | Ordinary       | 100 %                  |
| Harbourne Poultry Ltd <sup>(1)</sup>     | Importer of poultry meat products | United Kingdom           | 07484980          | Ordinary       | 100 %                  |
| Holms Poultry Ltd <sup>(1)</sup>         | Importer of poultry meat products | United Kingdom           | 07485239          | Ordinary       | 100 %                  |
| Ixworth Foods Ltd <sup>(1)</sup>         | Importer of poultry meat products | United Kingdom           | 07484443          | Ordinary       | 100 %                  |
| JPS Foods Ltd <sup>(1)</sup>             | Importer of poultry meat products | United Kingdom           | 06582393          | Ordinary       | 100 %                  |
| Kraienkoppe Poultry Ltd <sup>(1)</sup>   | Importer of poultry meat products | United Kingdom           | 07484553          | Ordinary       | 100 %                  |
| Little Birch Poultry Ltd <sup>(1)</sup>  | Importer of poultry meat products | United Kingdom           | 07188065          | Ordinary       | 100 %                  |
| Little Malvern Foods Ltd <sup>(1)</sup>  | Importer of poultry meat products | United Kingdom           | 05941270          | Ordinary       | 100 %                  |
| Malvern Chickens Ltd <sup>(1)</sup>      | Importer of poultry meat products | United Kingdom           | 06581946          | Ordinary       | 100 %                  |
| Malvern Poultry Ltd <sup>(1)</sup>       | Importer of poultry meat products | United Kingdom           | 05276197          | Ordinary       | 100 %                  |
| Maran Poultry Ltd <sup>(1)</sup>         | Importer of poultry meat products | United Kingdom           | 07484546          | Ordinary       | 100 %                  |
| Meavy Poultry Ltd <sup>(1)</sup>         | Importer of poultry meat products | United Kingdom           | 07484982          | Ordinary       | 100 %                  |
| MM Chicken Ltd <sup>(1)</sup>            | Importer of poultry meat products | United Kingdom           | 06362592          | Ordinary       | 100 %                  |
| Norfolk Grey Poultry Ltd <sup>(1)</sup>  | Importer of poultry meat products | United Kingdom           | 07484541          | Ordinary       | 100 %                  |
| North Hill Chicken Ltd <sup>(1)</sup>    | Importer of poultry meat products | United Kingdom           | 06904496          | Ordinary       | 100 %                  |
| Nutrimens Foods Ltd <sup>(1)</sup>       | Importer of poultry meat products | United Kingdom           | 07484836          | Ordinary       | 100 %                  |
| Old English Poultry Ltd <sup>(1)</sup>   | Importer of poultry meat products | United Kingdom           | 07484327          | Ordinary       | 100 %                  |
| Orpington Foods Ltd <sup>(1)</sup>       | Importer of poultry meat products | United Kingdom           | 07485216          | Ordinary       | 100 %                  |

## Notes (continued)

### 12 Fixed asset investments (continued)

|                                                  | Principal activity                | Country of incorporation | Registered number | Class of share | Ownership interest (%) |
|--------------------------------------------------|-----------------------------------|--------------------------|-------------------|----------------|------------------------|
| <b>Subsidiary undertakings</b>                   |                                   |                          |                   |                |                        |
| Pekin Foods Ltd <sup>(1)</sup>                   | Importer of poultry meat products | United Kingdom           | 07484582          | Ordinary       | 100 %                  |
| Pinnacle Poultry Ltd <sup>(1)</sup>              | Importer of poultry meat products | United Kingdom           | 07056374          | Ordinary       | 100 %                  |
| Plas Gwyn Poultry Ltd <sup>(1)</sup>             | Importer of poultry meat products | United Kingdom           | 07484966          | Ordinary       | 100 %                  |
| Plymouth Rock Poultry Ltd <sup>(1)</sup>         | Importer of poultry meat products | United Kingdom           | 07484575          | Ordinary       | 100 %                  |
| Potterton Poultry Ltd <sup>(1)</sup>             | Importer of poultry meat products | United Kingdom           | 07485757          | Ordinary       | 100 %                  |
| Redcap Poultry Ltd <sup>(1)</sup>                | Importer of poultry meat products | United Kingdom           | 07467872          | Ordinary       | 100 %                  |
| Rhode Island Red Poultry Ltd <sup>(1), (2)</sup> | Importer of poultry meat products | United Kingdom           | 07484623          | Ordinary       | 100 %                  |
| Roe Beck Poultry Ltd <sup>(1)</sup>              | Importer of poultry meat products | United Kingdom           | 07485332          | Ordinary       | 100 %                  |
| Rosecombe Foods Ltd <sup>(1), (2)</sup>          | Importer of poultry meat products | United Kingdom           | 07485755          | Ordinary       | 100 %                  |
| S & P Meats Ltd <sup>(1)</sup>                   | Importer of poultry meat products | United Kingdom           | 04198962          | Ordinary       | 100 %                  |
| Shipley Poultry Ltd <sup>(1)</sup>               | Importer of poultry meat products | United Kingdom           | 07485013          | Ordinary       | 100 %                  |
| Shires Poultry Ltd <sup>(1)</sup>                | Importer of poultry meat products | United Kingdom           | 05941271          | Ordinary       | 100 %                  |
| Sicilian Buttercup Poultry Ltd <sup>(1)</sup>    | Importer of poultry meat products | United Kingdom           | 07484735          | Ordinary       | 100 %                  |
| Silkie Poultry Ltd <sup>(1)</sup>                | Importer of poultry meat products | United Kingdom           | 07484758          | Ordinary       | 100 %                  |
| Spring Poultry Ltd <sup>(1)</sup>                | Importer of poultry meat products | United Kingdom           | 07044637          | Ordinary       | 100 %                  |
| Staunton Poultry Ltd <sup>(1)</sup>              | Importer of poultry meat products | United Kingdom           | 07188159          | Ordinary       | 100 %                  |
| Strattan Poultry Ltd <sup>(1)</sup>              | Importer of poultry meat products | United Kingdom           | 07484883          | Ordinary       | 100 %                  |
| Summer Hill Poultry Ltd <sup>(1)</sup>           | Importer of poultry meat products | United Kingdom           | 06904337          | Ordinary       | 100 %                  |
| Sussex Poultry Ltd <sup>(1)</sup>                | Importer of poultry meat products | United Kingdom           | 07484762          | Ordinary       | 100 %                  |
| Swindale Poultry Ltd <sup>(1)</sup>              | Importer of poultry meat products | United Kingdom           | 07485729          | Ordinary       | 100 %                  |
| Swinyard Poultry Ltd <sup>(1)</sup>              | Importer of poultry meat products | United Kingdom           | 07044373          | Ordinary       | 100 %                  |
| Tarff Poultry Limited <sup>(1)</sup>             | Importer of poultry meat products | United Kingdom           | 07485723          | Ordinary       | 100 %                  |
| Tarrington Poultry Ltd <sup>(1)</sup>            | Importer of poultry meat products | United Kingdom           | 07187970          | Ordinary       | 100 %                  |
| Tocketts Poultry Ltd <sup>(1)</sup>              | Importer of poultry meat products | United Kingdom           | 07486010          | Ordinary       | 100 %                  |
| Upton Poultry Ltd <sup>(1)</sup>                 | Importer of poultry meat products | United Kingdom           | 06393584          | Ordinary       | 100 %                  |
| Verydene Ltd <sup>(1)</sup>                      | Importer of poultry meat products | United Kingdom           | 04706130          | Ordinary       | 100 %                  |
| Vorwerk Poultry Ltd <sup>(1)</sup>               | Importer of poultry meat products | United Kingdom           | 07484786          | Ordinary       | 100 %                  |
| Welland Poultry Ltd <sup>(1)</sup>               | Importer of poultry meat products | United Kingdom           | 06734518          | Ordinary       | 100 %                  |
| Welsummer Poultry Ltd <sup>(1)</sup>             | Importer of poultry meat products | United Kingdom           | 07484805          | Ordinary       | 100 %                  |
| Westbridge International Ltd <sup>(1)</sup>      | Importer of poultry meat products | United Kingdom           | 03653902          | Ordinary       | 100 %                  |
| Wignall Chicken Ltd <sup>(1)</sup>               | Importer of poultry meat products | United Kingdom           | 05867321          | Ordinary       | 100 %                  |
| Wignall Holdings Limited <sup>(1)</sup>          | Importer of poultry meat products | United Kingdom           | 04975428          | Ordinary       | 100 %                  |
| Wignall Products Ltd <sup>(1)</sup>              | Importer of poultry meat products | United Kingdom           | 05867482          | Ordinary       | 100 %                  |
| Wyandotte Poultry Ltd <sup>(1)</sup>             | Importer of poultry meat products | United Kingdom           | 07484784          | Ordinary       | 100 %                  |
| Wye Poultry Ltd <sup>(1)</sup>                   | Importer of poultry meat products | United Kingdom           | 07056446          | Ordinary       | 100 %                  |

## Notes (continued)

### 12 Fixed asset investments (continued)

|                                         | Principal activity                | Country of incorporation | Registered number | Class of share | Ownership interest (%) |
|-----------------------------------------|-----------------------------------|--------------------------|-------------------|----------------|------------------------|
| <b>Subsidiary undertakings</b>          |                                   |                          |                   |                |                        |
| Yokohama Poultry Ltd <sup>(1),(2)</sup> | Importer of poultry meat products | United Kingdom           | 07484831          | Ordinary       | 100 %                  |
| Abridge Altillis Ltd <sup>(1)</sup>     | Importer of poultry meat products | United Kingdom           | 06012009          | Ordinary       | 100 %                  |
| Chafford Meats Ltd                      | Importer of poultry meat products | United Kingdom           | 07377979          | Ordinary       | 100 %                  |
| Hornchurch Ltd <sup>(1)</sup>           | Importer of poultry meat products | United Kingdom           | 05180290          | Ordinary       | 100 %                  |
| Kent Meats Ltd <sup>(1)</sup>           | Importer of poultry meat products | United Kingdom           | 07378002          | Ordinary       | 100 %                  |
| Piccadilly Meats Ltd <sup>(1)</sup>     | Importer of poultry meat products | United Kingdom           | 05180233          | Ordinary       | 100 %                  |
| Shenfield Meats Ltd <sup>(1)</sup>      | Importer of poultry meat products | United Kingdom           | 05483058          | Ordinary       | 100 %                  |
| Southend Meats Ltd <sup>(1)</sup>       | Importer of poultry meat products | United Kingdom           | 07377987          | Ordinary       | 100 %                  |
| Southwold Meats Ltd <sup>(1)</sup>      | Importer of poultry meat products | United Kingdom           | 07377975          | Ordinary       | 100 %                  |
| Upminster Meats Ltd <sup>(1)</sup>      | Importer of poultry meat products | United Kingdom           | 05483060          | Ordinary       | 100 %                  |
| Wickford Meats Ltd <sup>(1)</sup>       | Importer of poultry meat products | United Kingdom           | 05180239          | Ordinary       | 100 %                  |
| Woodbridge Meats Ltd <sup>(1)</sup>     | Importer of poultry meat products | United Kingdom           | 07377976          | Ordinary       | 100 %                  |
| Woodside Meats Ltd <sup>(1)</sup>       | Importer of poultry meat products | United Kingdom           | 07378001          | Ordinary       | 100 %                  |
| Prosper 50 B.V.                         | Importer of poultry meat products | Netherlands              | 34359998          | Ordinary       | 100 %                  |
| Prosper 52 B.V.                         | Importer of poultry meat products | Netherlands              | 50802828          | Ordinary       | 100 %                  |
| Prosper 60 B.V.                         | Importer of poultry meat products | Netherlands              | 34360004          | Ordinary       | 100 %                  |
| Prosper 62 B.V.                         | Importer of poultry meat products | Netherlands              | 50809067          | Ordinary       | 100 %                  |
| Prosper 72 B.V.                         | Importer of poultry meat products | Netherlands              | 50808907          | Ordinary       | 100 %                  |
| Prosper 82 B.V.                         | Importer of poultry meat products | Netherlands              | 50808796          | Ordinary       | 100 %                  |
| Prosper 91 B.V.                         | Importer of poultry meat products | Netherlands              | 34390553          | Ordinary       | 100 %                  |
| <b>Joint ventures</b>                   |                                   |                          |                   |                |                        |
| Westbridge Foods Europe BV              | Importer of poultry meat products | Netherlands              | 52495256          | Ordinary       | 50%                    |
| Westbridge Foods Holding B.V.           | Investment Holding Company        | Netherlands              | 52494535          | Ordinary       | 50%                    |

(1) An audit exemption

(2) In February and March 2020, Action Poultry Ltd is dissolved and transferred trade to Abbeycroft Poultry Ltd. Andalusian Poultry Ltd is dissolved and transferred trade to Ancona Poultry Ltd. Rhode Island Red Poultry Ltd, Rosecombe Foods Ltd and Yokohama Poultry Ltd are dissolved and transferred trade to Appenzeller Poultry Ltd

Under Section 479A to Section 479C of the Companies Act 2006, the wholly owned subsidiaries are taking advantage of an audit exemption for the year ended 31 December 2020 due to the existence of individual Company's guarantees of all liabilities for each of the above subsidiaries for the year ended 31 December 2020, excluding Westbridge Foods (Thailand) Limited, Westbridge (Qingdao) Trading Co Limited, Westbridge Foods (France) SARL and Westbridge Holding B.V. and its subsidiaries.

The registered office address of the above subsidiaries, excluding Westbridge Foods (Thailand) Limited, Westbridge (Qingdao) Trading Co Limited, Westbridge Foods (France) SARL and Westbridge Holding B.V. and its subsidiaries, is Polonia House Enigma Commercial Centre, Sandy's Road, Malvern, Worcestershire, WR14 1JJ.

The registered office address for Westbridge Foods (Thailand) Limited is 8 The Horizon Building, 3rd Floor, Sukhumvit 63, Prakanong Nua, Wattana, Bangkok 10110, Thailand.

## Notes (continued)

### 12 Fixed asset investments (continued)

The registered office address for Westbridge (Qingdao) Trading Co Limited is Rm414, Building 23, 89 Changcheng Road, Chengyang subdistrict, Chengyang district, Qingdao city, Shandong province, China.

The registered office address for Westbridge Foods (France) SARL is 250 bis boulevard Saint-Germain, 75007 Paris, France.

The registered office address for Westbridge Holding B.V. and its subsidiaries is Ceresstraat 13, 4811 CA Breda, Netherlands.

### 13 Stocks

|                | Group<br>2020<br>£000 | 2019<br>£000 | Company<br>2020<br>£000 | 2019<br>£000 |
|----------------|-----------------------|--------------|-------------------------|--------------|
| Finished goods | 106,614               | 68,493       | -                       | -            |

Stock recognised as cost of sales in the year amounted to £433 million (2019: £315 million)

Stock for Group is stated net of impairment provision amounting to £1.59 million (2019: £0.6 million). The movement in inventory provision during the year is as follows:

|                               | Group<br>2020<br>£000 | 2019<br>£000 | Company<br>2020<br>£000 | 2019<br>£000 |
|-------------------------------|-----------------------|--------------|-------------------------|--------------|
| At beginning of year          | 615                   | 994          | -                       | -            |
| Reversal on sale of inventory | (615)                 | (994)        | -                       | -            |
| Provision during the year     | 1,592                 | 615          | -                       | -            |
|                               | <u>1,592</u>          | <u>615</u>   | <u>-</u>                | <u>-</u>     |

### 14 Debtors

|                                    | Group<br>2020<br>£000 | 2019<br>£000  | Company<br>2020<br>£000 | 2019<br>£000 |
|------------------------------------|-----------------------|---------------|-------------------------|--------------|
| Trade debtors                      | 50,085                | 42,586        | -                       | -            |
| Amounts owed by related parties    | 43,131                | 19,093        | 6,169                   | 4,735        |
| Prepayments and accrued income     | 5,265                 | 3,639         | -                       | -            |
| Other debtors                      | 4,760                 | 5,814         | 1                       | -            |
| Short term loan to related parties | 3,700                 | 1,700         | -                       | -            |
| Deferred tax assets (see note 18)  | 1,192                 | 475           | -                       | -            |
|                                    | <u>108,133</u>        | <u>73,307</u> | <u>6,170</u>            | <u>4,735</u> |

Trade debtors are subject to invoice discounting with full recourse to the Group and therefore are still shown on the Group and Company balance sheet.

### 15 Cash and cash equivalents/ bank overdrafts

| Group                                              | 2020<br>£000   | 2019<br>£000 |
|----------------------------------------------------|----------------|--------------|
| Cash at bank and in hand                           | 44,130         | 27,715       |
| Less: Bank overdrafts (see note 16, 17)            | (45,975)       | (27,500)     |
| Cash and cash equivalents per cash flow statements | <u>(1,845)</u> | <u>215</u>   |

## Notes (continued)

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

|                                                 | Group<br>2020<br>£000 | 2019<br>£000   | Company<br>2020<br>£000 | 2019<br>£000 |
|-------------------------------------------------|-----------------------|----------------|-------------------------|--------------|
| Amounts owed to related parties                 | 79,156                | 45,499         | -                       | 1,400        |
| Bank overdrafts (see note 17)                   | 45,975                | 27,500         | 14                      | 37           |
| Invoice financing and import loan (see note 17) | 42,506                | 29,159         | -                       | -            |
| Short term loans (see note 17)                  | 24,000                | 7,768          | -                       | -            |
| Trade creditors                                 | 14,059                | 8,061          | -                       | -            |
| Accruals and deferred income                    | 7,494                 | 11,488         | -                       | -            |
| Financial instruments (see note 20)             | 6,175                 | 1,584          | -                       | -            |
| Other creditors                                 | 1,311                 | 642            | 11                      | 8            |
| Corporation tax                                 | 96                    | 853            | -                       | 4            |
| Taxation and social security                    | 85                    | 78             | -                       | -            |
|                                                 | <u>220,857</u>        | <u>132,632</u> | <u>25</u>               | <u>1,449</u> |

### 17 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's and parent Company's interest-bearing loans and borrowings, which are measured at amortised cost.

|                                                        | Group<br>2020<br>£000 | 2019<br>£000  | Company<br>2020<br>£000 | 2019<br>£000 |
|--------------------------------------------------------|-----------------------|---------------|-------------------------|--------------|
| <b>Creditors falling due within less than one year</b> |                       |               |                         |              |
| Bank overdrafts                                        | 45,975                | 27,500        | 14                      | 37           |
| Invoice financing                                      | 34,208                | 24,723        | -                       | -            |
| Short term loans                                       | 24,000                | 7,768         | -                       | -            |
| Import loan                                            | 8,298                 | 4,436         | -                       | -            |
|                                                        | <u>112,481</u>        | <u>64,427</u> | <u>14</u>               | <u>37</u>    |

#### Terms and debt repayment schedule

|                                             | Curr | Nominal interest rate                    | Group<br>2020<br>£000 | 2019<br>£000  | Company<br>2020<br>£000 | 2019<br>£000 |
|---------------------------------------------|------|------------------------------------------|-----------------------|---------------|-------------------------|--------------|
| Bank overdrafts                             | GBP  | 1.50% +Prevailing                        | 42,735                | 27,500        | 14                      | 37           |
|                                             | EUR  | Bank of England Base                     | 2,668                 | -             | -                       | -            |
|                                             | USD  | Rate                                     | 557                   | -             | -                       | -            |
|                                             | THB  |                                          | 15                    | -             | -                       | -            |
| Invoice financing                           | GBP  | 1.40% +Prevailing                        | 32,847                | 22,208        | -                       | -            |
|                                             | EUR  | Bank of England Base                     | 845                   | 2,515         | -                       | -            |
|                                             | USD  | Rate                                     | 516                   | -             | -                       | -            |
| Short term loans from financial institution | GBP  | 1.50% and 3%                             | 24,000                | 4,000         | -                       | -            |
| Short term loans from related company       | USD  | 3 month LIBOR + 2.75% per annum          | -                     | 3,768         | -                       | -            |
| Import loan                                 | USD  | 1.50%+Bank's relevant Currency Base Rate | 4,305                 | 4,436         | -                       | -            |
|                                             | GBP  |                                          | 3,993                 | -             | -                       | -            |
|                                             |      |                                          | <u>112,481</u>        | <u>64,427</u> | <u>-</u>                | <u>37</u>    |

## Notes (continued)

### 18 Deferred tax assets and liabilities

| Group                                   | Deferred<br>taxation<br>£000 |
|-----------------------------------------|------------------------------|
| Balance at 1 January 2020               | 475                          |
| Charged to profit and loss for the year | 717                          |
| <b>Balance at 31 December 2020</b>      | <b>1,192</b>                 |

Deferred tax assets and liabilities are attributable to the following:

| Group                             | Assets<br>2020<br>£000 | 2019<br>£000 | Liabilities<br>2020<br>£000 | 2019<br>£000 | Net<br>2020<br>£000 | 2019<br>£000 |
|-----------------------------------|------------------------|--------------|-----------------------------|--------------|---------------------|--------------|
| Accelerated capital allowances    | -                      | -            | (56)                        | (2)          | (56)                | (2)          |
| Tax losses carried forward        | -                      | (177)        | -                           | -            | -                   | 177          |
| Disallowable provisions           | 1,248                  | (300)        | -                           | -            | 1,248               | 300          |
| <b>Tax assets / (liabilities)</b> | <b>1,248</b>           | <b>477</b>   | <b>(56)</b>                 | <b>(2)</b>   | <b>1,192</b>        | <b>475</b>   |

### 19 Capital and reserves

#### Group and Company

|                                             | 2020<br>£000 | 2019<br>£000 |
|---------------------------------------------|--------------|--------------|
| <i>Allotted, called up and fully paid</i>   |              |              |
| 480 Ordinary shares of £0.10 each           | -            | -            |
| 405 Ordinary A Class shares of £0.01 each   | -            | -            |
| 405 Ordinary C Class shares of £0.08 each   | -            | -            |
| 405 Ordinary D Class shares of £0.01 each   | -            | -            |
| 44 Ordinary E Class shares of £0.01 each    | -            | -            |
| 2 (Ordinary Redeemable shares of £0.01 each | -            | -            |
|                                             | <b>-</b>     | <b>-</b>     |

| Right attached to shares                                                                                                         | Ordinary<br>shares | Ordinary<br>A Class<br>shares | Ordinary<br>C Class<br>shares | Ordinary<br>D Class<br>shares | Ordinary<br>E Class<br>shares | Ordinary<br>Redeemable<br>shares |
|----------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|----------------------------------|
| a.) Carries the right to vote                                                                                                    | √                  | x                             | √                             | x                             | x                             | x                                |
| b.) Carried the right to receive dividends                                                                                       | √                  | √                             | x                             | x                             | x                             | x                                |
| c.) Entitles the holder to participate in a return of capital on the basis set out in the articles of association of the Company | √                  | √                             | √                             | √                             | √                             | √                                |
| d.) Can be redeemed on the basis set out in the articles of association of the Company                                           | x                  | x                             | x                             | x                             | x                             | √                                |

## Notes (continued)

### 19 Capital and reserves (continued)

#### Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

#### Other reserves

The other reserves consist of merger reserves as well as translation differences on investments in foreign subsidiaries.

#### Profit and loss account

Profit and loss reserves includes all current and prior period retained profits and losses.

### 20 Financial instruments

The carrying amounts of the financial assets and liabilities include:

|                                                                  | Group<br>2020<br>£000 | 2019<br>£000      | Company<br>2020<br>£000 | 2019<br>£000      |
|------------------------------------------------------------------|-----------------------|-------------------|-------------------------|-------------------|
| <i>Assets measured at amortised cost</i>                         |                       |                   |                         |                   |
| Trade debtors                                                    | 50,085                | 42,586            | -                       | -                 |
| Cash at bank and in hand                                         | 44,130                | 27,715            | -                       | -                 |
| Amounts owed by related parties                                  | 43,131                | 19,093            | 6,169                   | 4,735             |
| Other debtors                                                    | 4,760                 | 5,814             | 1                       | -                 |
| Short term loan to related parties                               | 3,700                 | 1,700             | -                       | -                 |
| <i>Liabilities measured at fair value through profit or loss</i> |                       |                   |                         |                   |
| Forward exchange contracts                                       | 6,175                 | 1,584             | -                       | -                 |
| <i>Liabilities measured at amortised cost</i>                    |                       |                   |                         |                   |
| Amounts owed to related parties                                  | 79,156                | 45,499            | -                       | 1,400             |
| Invoice financing and import loan                                | 42,506                | 29,159            | -                       | -                 |
| Bank overdrafts                                                  | 45,975                | 27,500            | 14                      | 37                |
| Accruals and deferred income                                     | 7,494                 | 11,488            | -                       | -                 |
| Trade creditors                                                  | 14,059                | 8,061             | -                       | -                 |
| Short term loans                                                 | 24,000                | 7,768             | -                       | -                 |
| Other creditors                                                  | 1,311                 | 642               | 11                      | 8                 |
| Taxation and social security                                     | 85                    | 78                | -                       | -                 |
|                                                                  | <u>          </u>     | <u>          </u> | <u>          </u>       | <u>          </u> |

#### Valuation method

All derivative financial instruments are measured using the "mark to market" value of the financial instruments at the reporting date. This technique calculates the present value of the future cash flows relating to the instrument based on the foreign exchange rates and interest rates prevailing at the reporting date

### 21 Operating leases

Non-cancellable operating lease rentals are payable as follows:

| Group                      | 2020<br>£000      | 2019<br>£000      |
|----------------------------|-------------------|-------------------|
| Less than one year         | 232               | 298               |
| Between one and five years | 107               | 183               |
|                            | <u>          </u> | <u>          </u> |
|                            | 339               | 481               |
|                            | <u>          </u> | <u>          </u> |

During the year £345 thousand was recognised as an expense in the profit and loss account in respect of operating leases (2019: £399 thousand).



## Notes (continued)

### 22 Contingent liabilities

Westbridge Food Group Limited and the other companies in the group headed by Westbridge Food Group Limited have given cross guarantees to HSBC Bank PLC in respect of the bank overdrafts. As at 31 December 2020 the bank overdrafts under this guarantee amounted to £46 million (2019: £27 million).

### 23 Pension scheme

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund.

No pension contributions were due at the yearend 2020. (2019: £13 thousand).

### 24 Related party transactions

The group has taken the exemption permitted by FRS 102 33.1A not to disclose any related party transactions with any companies in the group on the basis that they are a wholly owned by Charoen Pokphand Foods Group.

#### Transactions with key management personnel

Total compensation of key management personnel (including the directors) for the Group in the year amounted to £795 thousand (2019: £835 thousand).

#### Related party transactions

|                                                               | Sales to               |           | Purchase from |               |
|---------------------------------------------------------------|------------------------|-----------|---------------|---------------|
|                                                               | 2020                   | 2019      | 2020          | 2019          |
|                                                               | £000                   | £000      | £000          | £000          |
| Entities with control, joint control or significant influence | 54                     | -         | 92,555        | 72,333        |
|                                                               | <u>54</u>              | <u>-</u>  | <u>92,555</u> | <u>72,333</u> |
|                                                               | <b>Interest income</b> |           |               |               |
|                                                               | 2020                   | 2019      |               |               |
|                                                               | £000                   | £000      |               |               |
| Entities with control, joint control or significant influence | 57                     | 15        |               |               |
|                                                               | <u>57</u>              | <u>15</u> |               |               |

### 25 Ultimate parent company and parent company of larger group

The immediate parent is CPF EUROPE S.A., a company incorporated on Avenue Belle Vue 17 1410 Waterloo, Belgium, by virtue of 100% shareholding in the company.

The ultimate controlling party is Charoen Pokphand Foods Public Company Limited, 313, CP Tower, Silom Road, Bangrak, Bangkok 10500, Thailand. The consolidated financial statements of these groups are available to the public.