# Robert Burns Limited

## Annual Report and Financial Statements

30 November 2021



Registered No: SC143715

## ROBERT BURNS LIMITED

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## ROBERT BURNS LIMITED

## COMPANY INFORMATION

## DIRECTORS

| | |
|---|---|
| Robert Burns | Director |
| Julie Burns | Director |
| John Kerrigan | Director (Appointed 28th March 2022) |
| Ian Smith | Director (appointed 28th March 2022) |
| David Pugh | Director (Appointed 28th March 2022) |
| Thomas Van Mourik | Director (Appointed 28th March 2022) |

## REGISTERED OFFICE

17 Youngs Road
East Mains Industrial Estate
Broxburn
West Lothian
EH52 5LY

## AUDITOR

BDO LLP
Two Snowhill
Birmingham
B4 6GA

## BANKERS

Handelsbanken
2nd Floor Apex 3
95 Haymarket Terrace
Edinburgh
EH12 5HD

# ROBERT BURNS LIMITED

## STRATEGIC REPORT
## FOR THE YEAR ENDED 30 NOVEMBER 2021

The directors present their strategic report for the year ended 30th November 2021.

***Principal activities***

**Robert Burns Limited** (the "Company") is a provider of food supply-chain distribution and logistics, serving retailers, processors, growers and importers.

***Review of the business***

These financial statements cover the reporting period to 30 November 2021, during this year the Company operated from one site in the UK, providing multi-temperature shared-user supply chain services in the food and drink sector.

In summary, the challenging market conditions continue to impact the business, however the directors are satisfied that the Company continues to provide its customers with a market leading service. The Company is well funded and financially robust, so the directors are confident the business is well placed to meet the challenges of the on-going economic climate and market conditions.

On 28 February 2022 the Company through its holding company Vitrans Limited was acquired by Fowler Welch Limited Limited, a logistics Company based in UK, specialising in food supply chain services in the fresh produce sector.

During the reported period there were a series of lockdowns in the UK following the COVID outbreak. In addition a clear nationwide labour shortage was evident driven by a change in IR35 regulations and post Brexit issues. The business continued to react quickly and effectively, to maintain service to the customers and put in place contingency measures, to ensure that the business continued to provide strong service and support to its customers, whilst protecting and supporting colleagues through the pandemic.

***Financial Review***

The Company produced a profit before taxation of £2,426,000 in 2021 compared with £2,112,000 in 2020.

*Revenues and operating profit*

Revenue comprises amounts recognised by the Company in respect of goods and services supplied. Reported revenue has increased from £14,361,000 in the year ending 30 November 2020 to £14,691,000 in the year ending 30 November 2021.

Operating profit for the year ended 30 November 2021 increased to £2,397,000 compared to £2,179,000 achieved in 2020.

*Net Assets*

Net assets increased to £11,221,000 as at 30 November 2021 from £10,049,000 as at 30 November 2020.

***Key Performance Indicators***

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

| | |
|---|---|
| Financial: | Sales, operating profit, trade receivable and trade payable ageing |
| Headcount: | Permanent and agency |

## STRATEGIC REPORT (CONTINUED)
## FOR THE PERIOD ENDED 30 NOVEMBER 2021

**Key decision: Driver and Warehouse Staff Shortage**

Due to a national shortage of drivers and warehouse staff, the decision to review the recruitment practices and terms & conditions of employment was taken during the year in order to ensure the interests of both our employees and our customers were both able to be met. This resulted in the Company securing the services of a sufficient number of employees to ensure the continuation of the critical supply chain of its customers.

On behalf of the board

Julie Burns

*Director*

*Date:* 21/10/22

## ROBERT BURNS LIMITED

## DIRECTORS' REPORT
## FOR THE YEAR ENDED 30 NOVEMBER 2021

The Directors present their report and financial statements for the year ended 30 November 2021.

**Directors**

The details of Directors who held office during the period and after the period end are those listed on page 1. None of the Directors who held office at the period end have any interest in the ordinary share capital of the Company.

***Future developments***

As noted in the Strategic Report, the Company through its holding company Vitrans Limited was acquired by Fowler Welch Limited on 28th February 2022, a logistics Company based in UK, specialising in food supply chain services in the fresh produce sector.

***Dividend***

The directors recommend a dividend of £700,000 *(2020: £2,415,621).*

***Political and charitable contributions***

No political or charitable donations were made during the period *(2020: £nil).*

**Principal Risk and Uncertainties**

**Economic and environmental risk**

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

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

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

**Financial risk management**

The company is exposed to credit risk to the extent of non-performance by its counterparties in respect of financial assets receivable. However, the company has policies and procedures in place to ensure such risk is limited and sets credit limits for each counterparty accordingly. The company regularly monitors such limits, incorporating this information into credit risk controls, and does not currently hold any collateral.

**Liquidity risk**

The company strategy for managing liquidity risk is to maintain cash balances in an appropriately liquid form and in accordance with approved counterparty limits.

**Going concern**

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

## DIRECTORS' REPORT (CONTINUED)
## FOR THE YEAR ENDED 30 NOVEMBER 2021

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

- The trading forecasts of the Company are included within the forecasts of the Group as a whole.
- The directors have considered a range of plausible sensitivities, which they believe adequately address any reasonably foreseeable events and circumstances that may be relevant to the Company.
- Sensitivities considered, and also incorporated within the sensitivities considered by the Group, include material reductions in trading volumes allied to increased costs, the failure to achieve cost and efficiency savings, a reduction in sublet income, the impact upon liquidity of reductions in available facilities under the Group's invoice discounting facilities and a deterioration in working capital metrics.
- In all reasonably foreseeable circumstances, it has been concluded that the trading and cash flow forecasts for the Group, which incorporate those of the Company, show adequate headroom when compared with the cash and undrawn committed facilities and forecast continuing covenant compliance.

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

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

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

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

**Carbon Reporting**
The company is exempt from reporting its energy and greenhouse gas emissions for the period 1 December 2020 to 30 November 2021 because it is not considered a large company as defined under The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended.

**Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation. Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "the Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

***Directors' confirmations***

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.
- The directors have considered the event of Russia Ukraine conflict and its not expected to have any implications on the going concern. The event will cause the increase in fuel prices where the impact will be passed on to the customers through increase in prices

***Independent Auditors***

**Auditor**

BDO LLP were appointed as Auditor to the Company following the resignation of Tindell, Grant & Company Limited and in accordance with section 485 of the Companies Act 2006 a resolution proposing that they be re-appointed will be put at a General Meeting.

On behalf of the board

Julie Burns
Director
Date : 21/10/22

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROBERT BURNS LIMITED

### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 November 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Robert Burns Limited ("the Company") for the period ended 30 November 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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

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

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

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

## Other information (continued)

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report of the Directors' Report.

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

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

## Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

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

- Enquiring of management and the directors, including obtaining and reviewing supporting documentation, concerning the Company's policies and procedures relating to:
    a) identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    b) detecting and responding to the risks of fraud and whether they had knowledge of any actual, suspected or alleged fraud; and
    c) the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company based on our understanding of the business, sector experience and discussions with management. The most significant considerations are the application of UK Accounting Standards, the Companies Act 2006, corporate taxes and VAT legislation, employment taxes, health and safety legislation and the Bribery Act 2010.

- Discussing amongst the engagement team to assess how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas:
  i) management override of controls; and
  ii) revenue recognition, specifically the manipulation of revenue using fraudulent journals

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

  • We made enquiries of management and those charged with governance and reviewed correspondence with the relevant authorities to identify any irregularities or instances of non-compliance with laws and regulations. We corroborated our enquiries through our review of board minutes.

  • We tested the appropriateness of accounting journals, using a risk based approach, and also tested other adjustments made in the preparation of the financial statements. We used data assurance techniques to identify and analyse the complete population of all journals in the period to identify and test any which we considered were indicative of management override.

  • We reviewed the Company's accounting policies for non-compliance with relevant standards. Our work also included considering significant accounting estimates for evidence of misstatement or possible bias and testing any significant transactions that appeared to be outside the normal course of business.

  • We critically assessed the appropriateness and tested the application of the revenue and cost recognition policies.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROBERT BURNS LIMITED (CONTINUED)

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

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at:
https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

### Use of our report

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

DocuSigned by:
G A Watts
B1582F3E379E444...

Greg Watts (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Birmingham
Date: 21 October 2022

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

## ROBERT BURNS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 30 NOVEMBER 2021

| | *Note* | **Year ended 30 November 2021 £000** | Year ended 30 November 2020 £000 |
|---|---|---|---|
| **Revenue** | *3* | **14,691** | 14,361 |
| Net operating expenses | *4* | **(12,294)** | (12,182) |
| **Operating profit** | *5* | **2,397** | 2,179 |
| Net financing expense | *7* | **(59)** | (70) |
| Profit on Disposal of Property, Plant & Equipment | | **88** | 3 |
| **Profit before taxation** | | **2,426** | 2,112 |
| Taxation | *8* | **(554)** | (418) |
| **Profit for the financial year** *all attributable to the equity shareholders of the parent* | | **1,872** | 1,694 |

The notes on pages **14 to 24** form an integral part of these financial statements.

There are no items of other comprehensive income or expense other than the profit for the year .

## ROBERT BURNS LIMITED

## STATEMENT OF FINANCIAL POSITION
## AS AT 30 NOVEMBER 2021

| | Note | 30 November 2021 £000 | 30 November 2020 £000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Property, plant and equipment | 9 | **5,801** | 5,039 |
| **Current assets** | | | |
| Inventories | 10 | **80** | 121 |
| Trade and other receivables | 11 | **2,164** | 1,991 |
| Cash and cash equivalents | | **8,577** | 7,729 |
| | | **10,821** | 9,841 |
| **Creditors:amounts falling due within one year** | 12 | **(3,026)** | (2,840) |
| **Net current assets** | | **7,795** | 7,001 |
| **Total assets less current liabilities** | | **13,596** | 12,040 |
| **Creditors: amounts falling due after more than one year** | | | |
| Deferred taxation | 13 | **(459)** | (297) |
| Loans | 14 | **(1,916)** | (1,694) |
| | | **(2,375)** | (1,991) |
| **Net assets** | | **11,221** | 10,049 |
| **Equity** | | | |
| Share capital | 15 | **10** | 10 |
| Retained earnings | | **11,211** | 10,039 |
| **Total shareholder's funds** | | **11,221** | 10,049 |

These financial statements on pages **11 to 24** were approved by the Board of Directors on 21st October 2022 and were signed on its behalf by:

**Julie Burns**
**Director**
**Robert Burns Limited**
Registered No SC143715

## ROBERT BURNS LIMITED

## STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 30 NOVEMBER 2021

| | Share capital | Retained earnings | Total shareholder's equity |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Balance at 1 December 2019** | **10** | **10,760** | **10,770** |
| Profit for the financial period | - | **1,694** | **1,694** |
| Dividends | | **(2,415)** | **(2,415)** |
| **Balance at 30 November 2020** | **10** | **10,039** | **10,049** |
| Profit for the financial period | - | **1,872** | **1,872** |
| Dividends | | **(700)** | **(700)** |
| **Balance at 30 November 2021** | **10** | **11,211** | **11,221** |

The notes on pages 14 to 24 form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2021

**1. Compliance with Accounting Standards**

These financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council.

As permitted by FRS 102, for both periods presented, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cash flow statement, standards not yet effective and related party transactions with other wholly-owned members of the Group. Where required, equivalent disclosures are given in the Group financial statements of Vitrans Limited. Vitrans Limited prepares Group financial statements which are publicly available and can be obtained as set out in note 21.

**2. Accounting policies**

**General information**

Robert Burns Limited ("the Company") is a food supply-chain distribution and logistics, serving retailers, processors, growers and importers.

The Company is a private limited Company, limited by shares and is incorporated and domiciled in the UK and registered in Scotland. The address of its registered office is 17 Youngs Road,East Mains Industrial Estate,Broxburn, West Lothian, EH52 5LY.

***Basis of preparation***

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

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

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

These financial statements are presented in pounds Sterling (rounded to the nearest £000).

**Going concern**

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

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

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

**Going concern (continued)**

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

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

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

- Not seeking repayment of amounts advanced to the Company by the Parent and/or other members of the Group unless adequate alternative financing has been secured by the Company;

- Advancing further amounts to the Company as required by the Company; and

- Allowing the Company to access the cash pooling facilities which are held by the Parent and/or other members of the Group.

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

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

**Revenue**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of returns, discounts and rebates and value added taxes. The Company recognises revenue when performance obligations have been satisfied and at the point in time when the specific service has been fulfilled.

Revenue relating to deliveries is recognised when each delivery has been completed. Warehousing revenue is spread evenly over the period to which it relates.

**Cash at bank and in hand**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**Pensions**

All pensions are provided from the proceeds of money purchase schemes. Obligations for contributions to these defined contribution pension schemes are recognised as an expense in the

**Pensions (continued)**

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

**Tangible fixed assets**

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

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

| | |
|---|---|
| Freehold buildings | Over 50 years |
| Leasehold land and buildings | Over the lease terms |
| Plant and Machinery | Over 5 years |
| Motor Vehicles | over approximately 8 years |

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

**Inventories**

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

**Financial instruments**

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) *Financial assets*

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

**Financial instruments (continued)**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii) *Financial liabilities*

Basic financial liabilities, including trade and other creditors, accruals and loans from fellow Group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

**Deferred tax (continued)**

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

**Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**Provisions**

Provisions are recognised when the Company has a legal or constructive present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in p rofit or loss in the period in which it arises.

**Critical accounting estimates and judgements**

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

**Useful economic lives of property, plant and equipment**

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually and reviewed for impairment. See note 9 for the carrying amount of property, plant and equipment and note 2 for the depreciation profile of each class.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
# FOR THE YEAR ENDED 30 NOVEMBER 2021

### 3. *Revenue and segment reporting*

The total revenue of the Company has been derived from its principal activity as a provider of food supply-chain distribution and logistic services.

The Robert Burns Limited chief operating decision maker is its Board of Directors, which assesses the performance of, and makes resource allocation decisions in relation to, one operating segment.

The business is run on the basis of the evaluation of distribution centre level performance data. However, resource allocation decisions are made based on the entire distribution network. The objective in making resource allocation decisions is to maximise the segment results rather than the results of the individual distribution centres within the network.

All revenue arose within the United Kingdom.

Accordingly, the Company has only one reportable segment.

### 4. Net Operating Expenses

| | **Year ended 30 November 2021 £000** | Year ended 30 November 2020 £000 |
|---|---|---|
| Direct Operating Costs | **7,207** | 7,435 |
| Staff costs (including agency staff) | **3,812** | 3,706 |
| Depreciation | **1,275** | 1,041 |
| **Net operating expenses** | **12,294** | **12,182** |

### 5. Operating profit

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

| | **Year ended 30 November 2021 £000** | Year ended 30 November 2020 £000 |
|---|---|---|
| Auditor's remuneration | **7** | 6 |
| Depreciation of property,plant and equipment | **161** | 160 |
| Depreciation of assets held under hire purchase contracts | **1,114** | 881 |
| Profit on disposal of property, plant and equipment | **(88)** | (3) |

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
# FOR THE YEAR ENDED 30 NOVEMBER 2021

## 6. Employees and directors

Staff costs including agency staff and directors' remuneration,were as follows:

| | Year ended 30 November 2021 £000 | Year ended 30 November 2020 £000 |
|---|---|---|
| Wages and salaries | 3,299 | 3,231 |
| Social security costs | 317 | 279 |
| Other pension costs | 196 | 195 |
| | 3,812 | 3,705 |

| | Year ended 30 November 2021 No. | Year ended 30 November 2020 No. |
|---|---|---|
| Operations | 81 | 75 |
| Administration | 13 | 13 |
| | 94 | 88 |

| | £000 | £000 |
|---|---|---|
| *Directors' remuneration:* | | |
| Emoluments | 19 | 19 |
| Pension contributions | 44 | 44 |
| | 63 | 63 |

The number of directors accruing benefits under the Company's pension scheme was 2 (30 November 2020: 2)

## 7. Net Financing Expense

| | Year ended 30 November 2021 £000 | Year ended 30 November 2020 £000 |
|---|---|---|
| Bank loans and overdrafts | 7 | 10 |
| Finance charges payable under hire purchase contracts | 52 | 67 |
| Interest Receivable | 0 | (7) |
| **Net financing income** | 59 | 70 |

## 8. Taxation

| | Year ended 30 November 2021 £000 | Year ended 30 November 2020 £000 |
|---|---|---|
| *Corporation tax* | | |
| Current tax charge for the period/year | 392 | 352 |
| *Deferred tax* | | |
| Origination and reversal of temporary differences: | 162 | 66 |
| **Total taxation charge for the period/year** | 554 | 418 |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
## FOR THE YEAR ENDED 30 NOVEMBER 2021

The total tax charge for the year ended 30 November 2021 is higher (2020: lower) than that arising from applying the standard rate of corporation tax in the UK of 19% (period ended 30 November 2020: 19%). The differences are explained below:

| | **Year ended 30 November 2021 £000** | Year ended 30 November 2020 £000 |
|---|---|---|
| **Profit before taxation** | **2,426** | 2,112 |
| Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%) | **461** | 401 |
| ***Effects of:*** | | |
| Expenses not deductible for tax purposes | **14** | 34 |
| Capital allowances in excess of depreciation | **(83)** | (83) |
| **Total taxation charge for the year** | **392** | 352 |

Corporation tax is calculated at 19% (2020 - 19.00%) of the estimated assessable profit for the period. Previously enacted corporation tax rates were due to be reduced from 19% to 17% from 1 April 2020. The 2020 Finance Act confirmed the rate of corporation tax will remain at 19% from 1 April 2020, cancelling the enacted cut to 17%. In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25%from 1 April 2023 and this rate was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using the enacted rates which are expected to apply to the reversal of the timing differences and this is reflected in the financial statements at a blended rate of 23.5% (2020 - 19%). On 23 September 2022 it was announced that the UK tax rate would no longer increase to 25% from 1 April 2023 and remain at 19%. While not substantively enacted at the reporting date, this will result in a reduction to the value of deferred tax assets in future period.

### 9. Property, plant and equipment

| | **Land & buildings £000** | **Plant and machinery £000** | **Vehicles £000** | **Total £000** |
|---|---|---|---|---|
| **Cost** | | | | |
| **At 1 December 2021** | 1,500 | 470 | 7,378 | **9,348** |
| Additions | 386 | 222 | 1,734 | **2,342** |
| Disposals | 0 | 0 | (1,696) | **(1,696)** |
| **At 30 November 2021** | **1,886** | **692** | **7,416** | **9,994** |
| **Depreciation** | | | | |
| **At 1 December 2021** | 120 | 421 | 3,768 | **4,309** |
| Charged during the period | 37 | 45 | 1,193 | **1,275** |
| Disposals | 0 | 0 | (1,391) | **(1,391)** |
| **At 30 November 2021** | **157** | **466** | **3,570** | **4,193** |
| **Net book value at 30 November 2021** | **1,729** | **226** | **3,846** | **5,801** |
| Net book value at 30 November 2020 | 1,380 | 49 | 3,610 | 5,039 |

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
# FOR THE YEAR ENDED 30 NOVEMBER 2021

## 10. Inventories

| | 30 November 2021 £000 | 30 November 2020 £000 |
|---|---|---|
| Consumables | 80 | 121 |
| | 80 | 121 |

## 11. Trade and other receivables

| | 30 November 2021 £000 | 30 November 2020 £000 |
|---|---|---|
| **Amounts falling due within one year** | | |
| Trade receivables | 2,057 | 1,927 |
| Other receivables | 107 | 64 |
| | 2,164 | 1,991 |

The impairment loss recognised in the company profit or loss for the period in respect of bad and doubtful trade debtors was nil (2020 - nil).

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

| | 30 November 2021 £000 | 30 November 2020 £000 |
|---|---|---|
| **Amounts falling due within one year** | | |
| Bank Loans (Note 15) | 80 | 80 |
| Trade payables | 899 | 798 |
| Other creditors and accruals | 252 | 71 |
| Corporation Tax | 214 | 193 |
| Other tax and social securities | 497 | 475 |
| Hire purchase contracts (Note 16) | 1,084 | 1,223 |
| | 3,026 | 2,840 |

## 13. Deferred Taxation

| | 30 November 2021 £000 | 30 November 2020 £000 |
|---|---|---|
| **Accelerated capital allowances** | 459 | 297 |
| At 1 December 2020 | 297 | 231 |
| Charged to profit and loss account | 162 | 66 |
| At 30 November 2021 | 459 | 297 |

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
# FOR THE YEAR ENDED 30 NOVEMBER 2021

## 14. Creditors: amounts falling due after one year

| | 30 November 2021 £000 | 30 November 2020 £000 |
|---|---|---|
| **Amounts falling due after one year** | | |
| Bank Loans (Note 15) | **220** | 300 |
| Hire purchase contracts (Note 16) | **1,696** | 1,395 |
| | **1,916** | 1,695 |

## 15. Loans

| | 30 November 2021 £000 | 30 November 2020 £000 |
|---|---|---|
| **Loans repayable within five years (quarterly @ LIBOR +1.85%)** | **300** | 380 |
| Within one year on demand | **80** | 80 |
| Between one and two years | **80** | 80 |
| Between two and five years | **140** | 220 |
| | **300** | 380 |

The bank loans are secured on the property at 17 Youngs Road, East Mains Industrial Estate, Broxburn EH52 5LY.

## 16. Obligations under finance lease and hire purchase contracts

| | 30 November 2021 £000 | 30 November 2020 £000 |
|---|---|---|
| Amounts payable: | | |
| Within one year | **1,084** | 1,223 |
| Within two and five years | **1,696** | 1,395 |
| | **2,780** | 2,618 |

## 17. Share capital

| | 30 November 2021 £000 | 30 November 2020 £000 |
|---|---|---|
| ***Allotted, called up and fully paid:*** | | |
| 10,000 ordinary shares of £1 each | **10** | 10 |

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
# FOR THE YEAR ENDED 30 NOVEMBER 2021

## 18. Financial Instruments

| | 30 November 2021 £000 | 30 November 2020 £000 |
|---|---|---|
| Financial Assets measured at amortised cost | **10,741** | 9,720 |
| Financial Liabilities measured at amortised cost | **(4,231)** | (3,867) |
| | **6,510** | 5,853 |

## 19. Pension commitments

The Company operates a defined contribution pension scheme. The pension charge for the period represents contributions payable by the Company into the scheme and amounted to £ 196,000 (period ended 30 November 2020: £195,000). There were no outstanding or prepaid contributions at either the current period end or previous year end.

## 20. Related party transactions

Dividends of £700,000 (2020: £2,415,000) were paid during the year to Vitans Limited, the parent company.

As detailed in note 6 salaries drawn by Mr Robert Burns and Mrs Julie Burns totalled £19,000 with a further £44,000 made as contribution to their pensions.

In addition transactions in relation to Mr Robert Burns and Mrs Julie Burns are recovered through a directors current account which is settled periodically, balance as at 30th November 2021 was 176,000. Within this current account the dividend received is posted at £700,000 againsts which personal expenses are also charged @ £524,000.

## 21. Ultimate controlling party

The immediate parent company is Vitrans Limited, a company registered in United Kingdom.

Vitrans Limited, the immediate parent company of Robert Burns Limited, was acquired by Fowler Welch Limited on the 28th February 2022 post which the ultimate parent undertaking is Unternehmensgruppe Theo Muller S.e.c.s., a partnership registered in Luxembourg.

For the purpose of financial year ended 30 November 2021, the financial statement of Robert Burns Limited will continue to be consolidated through Vitrans Limited.

## 22. Post balance sheet events

The Company through its holding company Vitrans Limited was acquired on the 28th February 2022 by Fowler Welch Limited, a logistics Company based in UK, specialising in food supply chain services in the fresh produce sector.