

Annual Report and Financial Statements Fox's Burton's Company Group Limited

For the year ended 31 August 2025

Registered number: 08772236

Fox's Burton's Company Group Limited

Company Information

Directors

L Pacini
G Giannotta

Company secretary

N Abrahams

Registered office

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Registered number

08772236

Independent auditors

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Fox's Burton's Company Group Limited

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STRATEGIC REPORT



Market leading growth performance driven by forward looking strategy, innovation and momentum

- **Strong performance with growth in revenue, operating profit and adjusted EBITDA.** Revenue up 9% to £695m, operating profit £31.2m (2024: £11.5m) and adjusted EBITDA £52.4m (2024: £40.2m)
- **Increased branded market share of sweet-biscuit market to 13.0%** (2024: 12.5%) driven by a strong, innovative new product development pipeline including Maryland S'wich, Rocky Stack'd and Fox's Chocolately Dubai-style
- **Outperformed the market as the only biscuit manufacturer to grow both value (10%) and volume share (6%)** moving from No3 to No2 UK sweet biscuit manufacturer. This is despite 6% decline in the sweet biscuit market.
- **Launched new strategic framework**, with a clear mission and vision, to drive growth and performance
- **Put sustainability at the heart of the business strategy.** Completed a baseline carbon footprint and received validation for near term and net zero climate targets from Science-Based Targets Initiative (SBTi)

Simon Browne, Chief Executive Officer, said:

"2024 has been a positive year of growth across all key financial metrics of revenue, gross profit margin, operating profit and adjusted EBITDA, delivered through maximising the opportunities of consolidating the legacy businesses and a strong new product development pipeline.

Facing regulatory pressure resulting in wage inflation, uncertainty over HFSS legislation and cost headwinds from key ingredients, we have successfully outperformed the market and increased our branded sweet biscuit market share. This is testament to the dedication of our teams at FBC who continue to strive to deliver outstanding products and customer service.

With the business fully integrated we now move into the next phase of growth, investing in our infrastructure to be future ready, optimising the potential AI can deliver and innovating to deliver products that delight our shoppers and consumers."

Fox's Burton's Company Group Limited**Strategic Report (continued)
For the year ended 31 August 2025****ABOUT FOX'S BURTON'S COMPANIES (UK) LIMITED**

Fox's Burton's Company Group Limited is an intermediate holding company of the Fox's and Burton's companies, now registered as Fox's Burton's Companies (UK) Limited ("FBC UK") and trading as Burton's Biscuits ("Burtons") and Fox's Biscuits ("Fox's"), collectively known as the "Group".

The principal activity of the Group is the baking, marketing and distribution of biscuits and baked snacks. The Group owns and bakes market-leading masterbrands and brands such as Maryland, Fox's Chocolatey, Party Rings, Rocky, Jammie Dodgers, Wagon Wheels, and bakes Mars branded biscuits under licence. The Group also bakes an extensive range of biscuits for leading retailers and manufacturers across seven UK based manufacturing sites. The Group also has one manufacturing facility dedicated to the production of jams and chutneys.

MARKET UPDATE

2024 into 2025 has been a year of uncertainty for the market. The UK government budget in October 2024 that led to higher employer National Insurance contributions, alongside inflationary pressure on ingredients has proved challenging for the sweet biscuit market. In addition, the uncertainty around HFSS regulations and the adoption of GLP-1s into the market is requiring businesses to adapt. Despite a 6% market volume decline in the year, FBC UK continued to outperform the market with both branded volume and value growth of 6% and 10% respectively.

BUSINESS PERFORMANCE

In a year marked by inflation and cost-of-living pressures, FBC UK has delivered exceptional results, demonstrating resilience and forward-thinking leadership. Revenue grew by 9% to £695m (2024 7.2% to £638m), with operating profit and adjusted EBITDA both rising significantly, outpacing a declining market and increasing branded market share to 13% (2024 12%).

FBC UK's success is built on strategic investment in its brands, launching innovative products, driving high profile marketing campaigns, and strengthening retailer partnerships. The business has also invested heavily in its bakeries, improving operational efficiency, quality, and sustainability, including setting ambitious net-zero targets and reducing emissions.

Most importantly, FBC UK has prioritised its people, expanded training, engagement, and wellbeing initiatives, and fostered a culture of inclusion and recognition. These investments have enabled FBC to thrive, outperform the market, and build a strong foundation for future growth.

	Year Ended 31 August 2025 £'m	Year Ended 26 August 2024 £'m
Profit / (Loss) before taxation	14.3	(6.4)
Net finance cost	16.8	17.9
Exceptional items	-	4.6
Depreciation and amortisation	21.2	23.9
Adjusted EBITDA	52.4	40.2

Strategic Report (continued)
For the year ended 31 August 2025

BUSINESS PERFORMANCE (continued)

The Group generated an operating profit of £31.2m (31 August 2024: £11.5m).
 The Group has net assets of £235.8m (31 August 2024: £230.1m).

KEY PERFORMANCE INDICATORS

The Group relies on different KPIs that are specific to the business. These KPIs are used by management on a regular basis to monitor performance and are reported to the Group's shareholder. The change of reporting date and short accounting year need to be considered when assessing these KPI's.

The main KPIs are:

- Revenue: Increase of 9.0% (2024: Increase of 7.2%)
- Gross profit margin: increase of 250 basis points (2024: increase of 600 basis points).
- Branded market share of sweet-biscuit market: 13.0% (2024: 12.5%).
- Adjusted EBITDA: profit of £52.4m (2024: £40.2m)

FUTURE OUTLOOK

The Group operates in a highly competitive market environment, where both customers and consumers consistently demand exceptional value, quality, and taste from our products. The UK market, our primary area of operation, has experienced volume declines driven by the ongoing cost-of-living crisis.

In response to these evolving market conditions, the Group has maintained a clear strategic focus on innovation, by developing new products and reformulating existing offerings to meet changing consumer preferences. Strengthening collaborative partnerships with leading retailers and suppliers remains central to our approach, enabling us to build resilience and better anticipate and satisfy customer needs.

Inflation continues to impact the Group's cost base, with pressures remaining in raw materials, energy, utility costs, packaging, logistics and labour.

As inflation continues to grow, and consumer confidence remains low, we remain committed to driving operational and procurement efficiencies to safeguard profitability and sustain our competitive advantage. By staying true to our mission of "Baking life better every day," the Group is confident in its ability to differentiate itself from major competitors and ensure that our biscuits continue to be loved by consumers.

PRINCIPAL RISKS AND UNCERTAINTIES

Details of the principal risks and uncertainties facing the Group are detailed in the Directors report on pages 13 and 14

Strategic Report (continued)
For the year ended 31 August 2025**DIRECTORS DUTIES**

Under section 172 (1) (a)-(f), of the Companies Act 2006 the directors of the Group are required to act in a way which promotes the long-term success of the Group and in doing so to consider the interests of the Group through its conduct and strategy for the benefit of all of its stakeholders. The Directors, in good faith, consider the long-term impact of any decision making which may impact any stakeholder, and this is reflected in the equal nature of relationships fostered with the Group's

employees, customers, suppliers and other stakeholders. Simultaneously, given the widespread geographical presence of the Group, appropriate consideration is given to the respective local communities and the impact of any decision making on the reputation to the business.

During the year, the Group strengthened its quality assurance and corporate governance by appointing two new executive board members: Chief Food Safety and Quality Officer and the Chief Legal Officer. The executive board now comprises eight members. In addition, the role of Chief Procurement Officer was expanded to Chief Procurement and Sustainability Officer, underscoring the Group's strategic commitment to sustainability.

Employee engagement

The Directors and senior management facilitate monthly and quarterly business briefings available to all employees. The briefings include commercial and financial performance to date, a market update and an outlook for the year with key priorities to deliver the organisations budgeted KPIs.

The Directors also ask all employees to take part in an annual employee engagement survey, which is tracked through the year by the leadership team to ensure that both leadership and teams evolve with the Group's culture. Key verbatims are drawn from this survey to ensure that employee feedback is a fundamental part of decision making for the organisation. All employees, across all sites, are invited to regular drop-in sessions with functional Directors as an opportunity to provide feedback and ideas of improving the business for both employees and wider stakeholders.

All employees can nominate excellent and exceptional performance across the business, which is recognised on a weekly basis by the Directors and published and shared with the organisation. Where the Directors feel performance has been of an exceptional nature, this is rewarded throughout the year.

During the year, the Group formed its first Diversity Equity Inclusion ("DEI") Council. The Group is committed to fostering a culture where every individual feels valued, respected, and empowered. We embrace diverse perspectives, ensure equitable opportunities, and strive to create an inclusive environment that drives innovation, strengthens our community, and supports the success of all. Across all sites, the Group hosts events to bring together all teams celebrating a variety of occasions throughout the year.

Stakeholder Interests

The Group is wholly owned by CTH Invest SA, a company incorporated in Belgium. The executive board ensures there is appropriate engagement by the Group with CTH and provides a monthly update to CTH executive board and shareholders so that the parent company is fully informed of the Group's activities.

The Group is committed to paying its suppliers in a responsible and timely manner, particularly small companies. The Management play an active role in engaging with suppliers to understand their end-to-end supply chain, the factors which impact their direct industry and the consequential impact on the Group. The Group supplies payment information in line with reporting requirements to the Payment Reporting Practices Department.

Customers and consumers are at the heart of everything we do, and therefore the Directors play a key role in securing and maintaining customer relationships, taking feedback in both a direct form from customer conversations, as well as indirect feedback through the teams. Feedback is shared at monthly operations meetings to ensure that the organisation evolves in line with customer expectation whilst balancing regulatory and financial implications.

The Directors and Management have regular contact with the Group's banks, pension trustees, shareholders and regulatory bodies to ensure that information is transmitted as required and in a timely manner; whilst simultaneously ensuring that the organisation receives new information which could impact employees, policies and accounting practices.

The Directors, management and affiliated Group advisors have regular contact with government and regulatory authorities, including with local constituency Members of Parliament. We provide insight and assistance on policies both directly through regulatory consultations and through trade associations.

Strategic Report (continued)
For the year ended 31 August 2025

Streamlined Energy and Carbon reporting "SECR".

In the year ended 31 August 2025, the Group updated its energy efficiency plans using its latest ESOS report, other studies and internal plans. In conjunction with improvements to production efficiency and changes to the location-based emissions factor for electricity, the collective impact of these activities led to a reduction of 5% in emissions intensity from the previous reporting period. A roadmap of projects to be implemented over the next 2-3 years is regularly reassessed, due to the ongoing volatile nature of the energy market and appraisal of developments in technology.

	2025	2024
Energy consumption used to calculate emissions: / kWh	171,136,750	171,080,941
Emissions from combustion of gas tCO2e	20,087	20,125
Emissions from combustion of fuel for transport purposes tCO2e	1,359	1,458
Emissions from business travel in rental cars or employee-owned vehicles where Group is responsible for purchasing the fuel / tCO2e	214	215
Emissions from purchased electricity tCO2e	9,748	11,257
Total gross CO2e based on above tCO2e	31,408	33,055
Intensity ratio: tCO2e gross per tonne of production	0.189	0.199
Coverage	The energy use covers our eight production sites in the UK and wider business operations across FBC UK.	
Methodology	The methodology used to calculate our emissions is based on compliance with The Greenhouse Gas Protocol "A Corporate Accounting and Reporting Standard (Revised Edition)" published by World Business Council for Sustainable Development & World Resources Institute. The consumption figures are sourced from meter readings, invoices and business travel records. Emissions have been calculated from the consumption figures using UK Government "GHG Conversion Factors for Company Reporting" published by the Department for Energy Security and Net Zero in 2025.	

**Strategic Report (continued)
For the year ended 31 August 2025**

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

Climate-related financial disclosures (CFD) Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, introduced in January 2022, mandates that companies with more than 500 employees and more than £500m turnover report on group climate-related risks, how it impacts their strategy, and the KPIs and mitigation processes in place to lessen those risks. As Fox's Burton's Companies (UK) meets these thresholds, we have included these disclosures below.

Introduction

During the year we conducted, with the advisory support of 3Keel sustainability consultancy, qualitative and quantitative assessment of our material climate risks were identified. By working with 3Keel we were able to ensure that the outputs were formed using a scientific, data-led approach.

Governance Overview

With the introduction of our foundational sustainability governance structure, designed to assign accountability and ownership into the business, we created an ESG risk register that is reviewed bi-monthly by the ESG Council. Climate-related risks are incorporated into this ESG risk register which in turn feeds into the group risk register.

Climate-Related Risk Identification

This risk identification was carried out at group level, with a cross functional core project group led by the sustainability team. The following steps were taken to identify the climate risk and opportunities and to evaluate impacts:

1. Interviews were conducted by the 3Keel and FBC sustainability teams, with subject matter experts across the business. These experts were chosen across all areas of the FBC value chain and aligned with our sustainability working groups.
2. The executive board, sustainability team, working group chairs engaged in two impact assessment workshops with 3Keel

This disclosure has been developed in parallel with the integration activities, forming our second report and highlights areas of compliance with the recommendations and explains where further development of our approach to managing climate-related risk will be updated in future reports.

Strategic Report (continued)

For the year ended 31 August 2025

Non-Financial and Sustainability Information Statement (continued)

Recommendation	Disclosure	Future Developments
Governance		
<p>Describe the Board's oversight of climate-related risks and opportunities.</p>	<p>The Board has overall responsibility for the Group's risk management, systems of control and for reviewing their effectiveness, as described in the Directors Report. The consideration of climate-related risks has been incorporated into the Group's overall approach to risk management, using the same materiality criteria and internal reviews. Those above the materiality threshold are included in our overall business plan, including and necessary investments or impairment provisions, and signed-off by the Board.</p>	<p>Conduct bi-annual board workshop to review climate related risk and opportunity</p> <p>Embed financial materiality considerations into climate related risk and opportunities</p>
<p>Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p>In May 2025 led by the Chief Procurement & Sustainability Officer, a central coordinating sustainability function and new governance structure were created, including an ESG Council of executive board and cross-functional senior leaders chaired by a newly established role of Director of Sustainability & External Communications. To embed sustainability within the business, a working group structure was established under the key pillars of Planet, Product and People with executive board sponsors and senior leadership chairs. Comprising cross functional membership, the ESG working groups form the basis of the foundational structure of sustainability within the business, intended to ensure accountability and delivery is driven throughout the organisation.</p> <p>A new ESG risk register was established and managed through ESG working groups with mitigations and ownership defined. Working groups are responsible for managing risks and opportunities relating to their area of responsibility with ESG Council reviewing these risks during bi-monthly meetings. During the year qualitative and quantitative assessment of climate-related risks was completed with third party advisors.</p>	<p>Embed management of climate-related risk and opportunity within working groups and individual function ways of working. The process will be overseen by ESG Council and coordinated by the sustainability team</p>

Fox's Burton's Company Group Limited

Strategic Report (continued)
For the year ended 31 August 2025

Non-Financial and Sustainability Information Statement (continued)

Strategy		
<p>Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.</p>	<p>We manufacture most of our products in our 8 facilities across the UK, with a small proportion produced by co-manufacturers. Whilst we source many ingredients, packaging and critical services from within the UK, some of our raw materials are sourced through international supply chains. This means that we need to consider climate change impact in the UK for our own operations and work closely with our suppliers for those commodities originating overseas. We have greater insight on 'likely to materialise' within the next five years than over longer time horizons due to a high level of uncertainty on both likelihood and impact over the longer term. The top ranked risks are:</p> <ul style="list-style-type: none"> • Physical <ul style="list-style-type: none"> ○ Extreme rainfall and flooding impacting operations and supply of ingredients ○ Drought and water stress affecting operations and availability & quality of key ingredients ○ Storms causing damage to our facilities, supply chain activities and ingredient crops ○ Ecosystem decline decreasing availability & quality of key ingredients ○ Heat stress causing incremental disruption to manufacture & distribution of products and affecting supply of key ingredients • Transition <ul style="list-style-type: none"> ○ Legislative changes to support a climate transition adding operating cost and restrictions on resource use ○ Changing customer requirements increasing need to invest and adapt plans accordingly ○ Changing consumer behaviour influencing portfolio choices and product credentials ○ Necessary investment to effect a transition to low-carbon technology and products 	<p>Review materiality assessment to identify changes in risks and opportunities across medium and long term horizons with modelling for financial impacts where uncertainty is currently high.</p> <p>Develop work with key suppliers to regularly appraise the acute (e.g. the current cycle) and chronic risks associated with the availability, quality and cost of raw material supply across a range of time horizons.</p>

Fox's Burton's Company Group Limited

Strategic Report (continued)
For the year ended 31 August 2025
Non-Financial and Sustainability Information Statement (continued)

Strategy		
<p>Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning.</p>	<p>The impact of the risks and opportunities on our planning includes:</p> <ul style="list-style-type: none"> • Ongoing maintenance of our sites to ensure an acceptably low impact of disruption is caused by acute storms and floods • Careful management of operations to minimise consumption of energy and water • Appraisal of equipment and infrastructure investments to ensure design basis covers future heat stress effect and emissions reduction aims • Collaboration with suppliers on resilience of ingredient and packaging supply, supporting regenerative agriculture programmes and minimisation of waste across the value chain • Regularly review our product portfolio and recipes to ensure they meet future requirements of customers and consumers and enable achievement of the company's climate-related targets 	<p>Expand scope of risk assessment beyond key suppliers to more partners in the supply chain, both to better understand specific issues and ensure an appropriate diversification of supply base is available if required.</p>
<p>Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>We have conducted analysis using four NGFS scenarios – Below 2°C, Delayed Transition, Fragmented World and Current Policies. Qualitative analysis was conducted on the shortlisted risks and opportunities, with quantitative analysis also carried out on the three most material items. The outputs of the analysis inform our strategy on:</p> <ul style="list-style-type: none"> • How we procure energy and key ingredients in potentially volatile and increasingly costly markets • Managing possible heat stress impacts on our workforce to maintain suitable working conditions and ensure products reach consumers in the right condition to be enjoyed as expected • Ensuring appropriate levels of resilience exist in our manufacturing, ingredient and packaging supply chains to maintain efficient customer service 	<p>Determine frequency to carry out renewed scenario analysis and update strategic plans</p>
Risk Management		
<p>Describe the organisation's processes for identifying and assessing climate-related risks.</p>	<p>We selected a short list with an appropriate combination of physical and transition risks and opportunities from a long list gathered from a range of sources, including key suppliers, collaboration with insurers, government agencies, public reports and interaction with expert consultants on specific topics. A workshop with senior internal stakeholders reviewed the materiality of the shortlisted items by evaluating the likelihood and impact of each over three different time horizons (<5 years; 5-15 years; >15 years) to create a finalized list of risks and opportunities for qualitative and quantitative scenario analysis.</p>	<p><i>Already covered in Governance and Strategy sections</i></p>

Fox's Burton's Company Group Limited

Strategic Report (continued)
For the year ended 31 August 2025

Non-Financial and Sustainability Information Statement (continued)

Risk Management		
Describe the organisation's processes for managing climate-related risks.	Outputs from the scenario analysis were validated in workshops with FBC UK Board members, allowing full understanding of the risks and opportunities to be considered in all business decision making. As already described, our ESG Council review their risk register every two months and ensure the most material items are included for consideration in Board risk reviews.	<i>Already covered in Governance and Strategy sections</i>
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	The prioritised outputs of the climate-related risks are included in our overall approach to risk management, as described above.	<i>Already covered in Governance and Strategy sections</i>
Metrics		
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>The following initial metrics incorporating climate-related risks and opportunities have been identified.</p> <ul style="list-style-type: none"> • Internal capability building – hours of training and proportion of the workforce covered • Engagement of suppliers on emissions reduction and climate-related risk – percentage of suppliers with public net zero commitments • SBTi emissions reduction targets – Scope 1&2 and Scope 3 FLAG and E&I targets for FY32/33 near-term and net zero by 2050 • Sustainable sourcing of key ingredients – percentage of palm oil and cocoa from certified sources 	In conjunction with monitoring progress against targets, review suitability of metrics and adapt as required as the company Sustainability plans develop
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.	Scope 1 and Scope 2 emissions with location-based reporting are included in our SECR report. We will publish a full GHG inventory, including market-based reporting for Scope 2 and a FLAG and E&I split for Scope 3 emissions annually on our website under the "Our Impact" section, with target description and progress updates.	Publish reporting of GHG inventory and progress against reduction targets annually.
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<p>We are aligning performance targets with the metrics we have identified incorporating climate-related risks and opportunities. The targets will cover:</p> <ul style="list-style-type: none"> • Training on sustainability & climate risk • Engagement of suppliers representing at least 75% of our total Scope 3 emissions on emissions reduction and climate risk strategies • SBTi emissions reduction targets (already published) • Sustainable sourcing certification for palm oil and cocoa-derived materials 	Disclose targets and performance against targets in our next report

On behalf of the Board

DocuSigned by:

 927FC6715D7E46E...
 L Pardini
 22 January 2026

Firmato da:

 5FA61145942E40A...
 G Giannotta
 22 January 2026

**Directors' Report
For the year ended 31 August 2025**

The Directors present their report and the audited consolidated financial statements of the Group for the year ended 31 August 2025. The comparative information covers the 53 week year ended 31 August 2024.

The "Review of Business, Future Outlook, Key performance indicators and the S172(1) statement" are included in the separate Strategic Report.

Directors

The Directors who held office during the year and up to the date of signing the financial statements are given below:

L Pacini
G Giannotta

Future outlook

Details of the future outlook of the Group are included within the Strategic Report on page 4.

Dividends

The Directors do not propose the payment of a dividend for the year ended 31 August 2025 (2024: £nil).

Stakeholder engagement

Details of the stakeholder engagement of the Group are included within the Strategic Report on pages 5 and 6

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of business and financial risks.

The board has overall responsibility for the Group's risk management and systems of internal control and for reviewing their effectiveness. The systems are designed to provide reasonable control over the Group's activities and to enable the board to comply with its responsibilities. The board seek to ensure that there is adequate mitigation of all risks to ensure that the Group can meet its strategic objectives.

The key business risks and uncertainties affecting the Group are considered to be:

Significant competition

The Group operates in a highly competitive market both in the UK and internationally and its failure to compete effectively could adversely impact financial performance. The Group ensures that it remains competitive through investment in the Group's brands, by bringing innovative contemporary products to market which appeal to consumers and by ensuring that the Group's products are of the highest quality. The Group also seeks to forge strong collaborative relationships with retailers to supply a mix of branded and own branded products to meet both retailer and consumer needs.

Directors' Report (continued)
For the year ended 31 August 2025**Retail landscape**

The grocery retail landscape in the UK and overseas is evolving quickly as retailers adapt to changing consumer behaviour and the rapid growth of discount retail channels. If the Group is unable to adapt to these changes, then it could adversely impact financial performance. The Group ensures that it is adaptable in this changing market through working collaboratively with major retailers to develop effective brand plans and ensuring that the Group maintains an appropriate mix of products to satisfy different market segments.

Reliance on production facilities

The Group operates a modern fully integrated supply chain network which comprises highly automated bakery facilities to bake its products. A significant failure of any one of these facilities could materially impact the Group. The Group has a well-established ongoing preventative maintenance programme and continues to invest significantly in developing the Group's supply chain capabilities. In addition, a number of the Group's products can be manufactured in more than one location, which significantly mitigates the risk of overall failure. Finished inventory levels across the Group also act as a limited buffer in the event of operational failure. A comprehensive business interruption insurance policy is maintained to mitigate losses caused by a serious event affecting manufacturing capability.

Management of the pension scheme

The Group's trading entity, Fox's Burton's Companies (FBC) UK Limited, participates in a defined benefit pension scheme. The Group's balance sheet shows an aggregate deficit in this scheme, as at 31 August 2025 of £73.1m (2024: £77.1m) assessed in accordance with IAS 19 (revised). There are various risks that could adversely affect the funding of the defined benefits under the scheme and consequently the Group's agreed funding obligations. The scheme is closed to new members and pensionable pay increases are limited to 1%, which over time, will limit the financial exposure. The Board regularly monitors the funding position of the scheme and works with the Trustee of the scheme to review investment performance and other pension funding related risks to ensure appropriate actions are taken to minimise the risk of volatility and improve the funding position where possible. The Group uses each actuarial valuation (annual IAS 19R valuation and each triennial valuation) to re-assess its position with regard to its pension commitments in conjunction with external actuarial advice.

The Group acknowledges the appeal judgement dated 25 July 2025 in the case of NTL vs Virgin Media. The Trustee has undertaken investigative work in respect of the implications for the Scheme and confirm that there are no issues that warrant further work at this time. Further clarification is expected after a court case in March 2025 and the Trustee will subsequently review the implications once this is completed.

Commodity cost inflation

The conflict in Ukraine has had a significant impact on the Group's supply chain and inbound ingredients and energy, despite most ingredients being purchased from the United Kingdom. This has been and continues to be a key focus of the Directors. Forward purchasing raw materials up to 12 months in advance (where appropriate) and price negotiation processes with both suppliers and customers are in place to mitigate the impact.

Directors' Report (continued)
For the year ended 31 August 2025

Regulatory and government policy

The Group may be subject to significant new regulatory compliance requirements and because of Government policies, including potential measures intended to address the obesity issue which could adversely impact the business. The Group continues to take proactive steps to reduce the sugar content in its products and is continually developing the recipes and portion sizes for our products. The Group continues to invest in its range of mini-cookie bags with each bag containing less than 100 calories, supporting Public Health England's sub-100 calorie initiative and has regard to High Fat, Salt and Sugar (HFSS) scoring and in developing products to meet these requirements.

Financial risk management

The Group's operations expose it to a variety of risks that include the effects of changes in commodity risk, credit risk, exchange rate risk, interest rate risk and liquidity risk. The Group has in place a risk management programme that seeks to limit the adverse effects of these risks on the financial performance of the Group. Given the size of the Group, the policies set by the Board in managing this risk are implemented by the Group's finance and procurement functions.

Commodity and exchange rate risk

The Group is exposed to foreign currency risks arising from sales and purchases that are denominated in a currency other than Sterling. The principal currency risks arise with Euro and US Dollar. The Group's policy is to cover all material foreign currency commitments arising using a mixture of forward foreign currency contracts and swaps for a period of up to 12 months. The Group is also exposed to movements in raw material prices where these are linked to movements in commodity prices. The Group seeks to limit the impact of commodity price movements through forward purchasing raw materials, where appropriate.

Credit risk

Credit risk arises for cash, deposit with banks, as well as credit exposures from customers including outstanding trade debtors and committed orders. For banks and financial institutions, only strong institutions are used with strong international credit ratings. For customers, credit checks are undertaken which consider financial position, past experience and other factors. Individual risk limits are set based on internal and external ratings and these rates are reviewed regularly by the finance function. Approximately 13% of the Group's trade receivable balance is with one customer. The company also has credit insurance in place to mitigate against credit risk.

Liquidity risk

The Group approach to managing liquidity is to prepare and monitor the Group's rolling cashflow requirements to ensure that it has sufficient cash to meet its operational needs while maintaining sufficient headroom on its total banking facilities.

Interest rate risk

Given the low levels of variable external debt, changes in interest rates are unlikely to have a material impact on cashflows. The Group continually reviews this position and if changes in interest rates could materially impact cashflows the Group would seek to mitigate this impact using financial instruments such as interest rate swaps to convert variable interest rates into fixed interest rates.

Directors' Report (continued)
For the year ended 31 August 2025

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity, which is a qualifying third-party indemnity provision. The indemnity was in force throughout the last financial year and is currently in force at the date of approval of the directors' report. The Group has also purchased and maintained Directors' and Officers' liability insurance in respect of itself and its Directors throughout the financial year.

Going concern

In determining whether the Group's annual financial statements can be prepared on a going concern basis, the Directors consider the business activities, together with the factors likely to affect its future development, performance, and position. This review included the financial position of the Group, its cash flows, liquidity position and the continued willingness of the parent to provide loans as required.

The Directors have prepared the financial statements on the going concern basis as CTH Invest SA has agreed to provide financial support, if required. The Directors are satisfied that the parent undertaking has the ability to facilitate that support and the key consideration in forming that opinion was the sufficiency of existing banking facilities as well as the additional undrawn facilities that have been made available by the parent undertaking's principal shareholder.

Employees

The Group is committed to the further development of employee information and consultation. This is achieved both in conjunction with trade union representatives and through briefing sessions with wider Group employees.

Applications for employment from disabled persons are always fully considered bearing in mind the respective aptitudes and abilities of the applicant. In the event of a member of staff becoming disabled, every effort is made to ensure that their employment with the Group continues. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Political & charitable donations

No contributions were made to political organisations (2024: £nil). During the year, £0.3m of stock was donated to charitable organisations (2024: £0.3m).

Research and development

The Group invests in research and development expenditure primarily in relation to the development of new products and improvement of existing products. The costs of such expenditure are capitalised as an intangible asset and amortised over its useful economic life if the criteria in IAS 38 'Intangible Assets' is satisfied otherwise it is written off to the income statement as incurred.

Directors' Report (continued)
For the year ended 31 August 2025

Statement of Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with UK-adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 company and of the profit or loss of the group 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 UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, 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 group and company will continue in business.

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

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group's and 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 group's and company's auditors are aware of that information.

Independent Auditors

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

The directors have agreed with the Group auditors that the auditor's liability to damages for breach of duty in relation to the audit of the Group financial statements for the year to 31 August 2025 should be limited to the greater of £5m or 5 times the auditor's fees, and that in any event the auditor's liability for damages should be limited to that part of any loss suffered by the Group as is just and equitable having regard to the extent to which the auditor, the Group and any third parties are responsible for the loss in question. The shareholders waived the need for approval of this limited liability agreement, as required by the Companies Act 2006, by a resolution dated 1 July 2025.

The financial statements on pages 23 to 85 were approved by the Board of Directors on 22 January 2026 and signed on its behalf by

DocuSigned by:
Leon Pacini
927FC6715D7E46E...
L Pacini

Firmato da:
Guido Giannotta
5FA61145942E40A...
G Giannotta

Independent auditors' report to the members of Fox's Burton's Company Group Limited

Report on the audit of the financial statements

Opinion

In our opinion, Fox's Burton's Company Group Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 August 2025 and of the group's profit and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise:

- the Consolidated Statement of Financial Position and the Company Statement of Financial Position as at 31 August 2025;
- the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company in the period under audit.

Conclusions relating to going concern

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 group's and the

Fox's Burton's Company Group Limited

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 August 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias in determining significant accounting estimates. Audit procedures performed by the engagement team included:

- Enquired and discussed known and suspected litigation and claims with the appropriate level of management and, where appropriate, those charged with governance, including obtaining an understanding of their responses;
- Reviewed minutes of board meetings to assess if there have been any instances of non-compliance with relevant laws or regulations;
- Evaluated management's controls designed to prevent and detect fraudulent financial reporting;
- Identified and tested journal entries, in particular any journal entries posted with unusual account combinations;
- Challenged assumptions and judgements made by management in determining significant estimates, in particular, the carrying value of investments, goodwill and indefinite life intangible assets, pension liability assumptions; deferred tax assets and accruals for customer rebates; and
- Reviewed financial statement disclosures and tested to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Kate E Finn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
22 January 2026

Fox's Burton's Company Group Limited

**Consolidated Income Statement
For the year ended 31 August 2025**

		Year Ended 31 August 2025 £'000	53-week year Ended 31 August 2024 £'000
Revenue	3	695,306	638,000
Cost of sales		<u>(535,428)</u>	<u>(507,303)</u>
Gross profit		159,878	130,697
Distribution costs		(67,855)	(58,994)
Administrative expenses		(60,866)	<u>(60,215)</u>
Operating profit	4	31,157	11,488
Adjusted EBITDA – operating profit before depreciation, amortisation, exceptional items, other losses and IAS 19 pension adjustments			
		52,403	40,211
Depreciation and amortisation	4	(21,232)	(23,930)
Loss on disposal of fixed assets	4	(14)	(198)
Exceptional operating items	4	-	(4,600)
Government grant credit	4	-	5
Operating profit		31,157	11,488
Finance income	7	115	223
Finance costs	7	(16,927)	(18,132)
Finance costs – net	7	(16,812)	(17,909)
Profit/(Loss) before income tax		14,345	(6,421)
Income tax (charge)/credit	8	(10,778)	787
Profit/(Loss) for the financial year		3,567	(5,634)

All amounts relate to continuing operations.

Fox's Burton's Company Group Limited

**Consolidated Statement of Comprehensive Income
For the year ended 31 August 2025**

		Year Ended	53-week year Ended
		31	31
		August	August
		2025	2024
Note		£'000	£'000
		3,567	(5,634)
Profit/(Loss) for the financial year			
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
	24	20,659	(80)
	24	(17,883)	1,427
	8	(694)	(337)
		2,082	1,010
Other comprehensive income for the financial year			
		5,649	(4,624)
Total comprehensive income/(expense) for the financial year			

Fox's Burton's Company Group Limited

**Consolidated Statement of Financial Position
As at 31 August 2025**

	Note	As at 31 August 2025 £'000	As at 31 August 2024 £'000
Assets			
Non-current assets			
Intangible assets	9	311,793	307,744
Property, plant and equipment	11	126,628	112,655
Deferred tax assets	8	15,119	23,414
Total non-current assets		453,540	443,813
Current assets			
Inventories	12	109,231	87,118
Trade and other receivables	13	143,570	89,437
Cash and cash equivalents	14	10,225	51,399
Total current assets		263,026	227,954
Total assets		716,566	671,767
Liabilities			
Current Liabilities			
Borrowings	17	6,379	4,734
Trade and other payables	15	322,518	291,095
Government grants	19	103	8
Provisions	16	737	-
Total current liabilities		329,737	295,837
Net current liabilities		(66,711)	(67,883)
Non-current liabilities			
Borrowings	17	74,701	67,747
Provisions	16	-	737
Government grants	19	3,280	210
Retirement benefit obligations	24	73,079	77,116
Total non-current liabilities		151,060	145,810
Total liabilities		480,797	441,647
Net assets		235,769	230,120
Equity			
Share capital	21	148,042	148,042
Share premium		266,231	266,231
Merger reserve		(30,231)	(30,231)
Accumulated losses		(148,273)	(153,922)
Total equity		235,769	230,120

The financial statements on pages 23 to 85 were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:
Leon Pacini
927FC6715D7E46E...
Director

Firmato da:
Guido Giannotta
5FA61145942E40A...
Giannotta
Director

Registered number: 08772236

Fox's Burton's Company Group Limited

Consolidated Statement of Changes in Equity
For the year ended 31 August 2025

	Share capital £'000	Share premium £'000	Merger reserve £'000	Accumulated losses £'000	Total equity £'000
At 27 August 2023	148,042	266,231	(30,231)	(149,298)	234,744
Loss for the financial year	-	-	-	(5,634)	(5,634)
Other comprehensive income	-	-	-	1,010	1,010
Total comprehensive expense for the financial year	-	-	-	(4,624)	(4,624)
At 31 August 2024	148,042	266,231	(30,231)	(153,922)	230,120
Profit for the financial year	-	-	-	3,567	3,567
Other comprehensive income	-	-	-	2,082	2,082
Total comprehensive income for the financial year	-	-	-	5,649	5,649
At 31 August 2025	148,042	266,231	(30,231)	(148,273)	235,769

Fox's Burton's Company Group Limited

Consolidated Statement of Cash Flows
For the year ended 31 August 2025

		Year Ended	53-week year
		31	Ended
		August	August
		2025	2024
	Note	£'000	£'000
Net cash flow from operating activities			
Profit/(Loss) for the year		3,567	(5,634)
Adjustments for:			
Amortisation of intangible assets		3,103	2,439
Depreciation of property, plant and equipment		12,584	16,614
Depreciation of right-of-use assets		5,545	4,877
Loss on disposal of property, plant and equipment		41	198
Gain on disposal of right-of-use assets		(27)	-
Release of government grants		-	(5)
Defined benefit pension adjustment		669	692
Defined benefit pension – contributions paid		(5,683)	(4,193)
Finance income		(115)	(223)
Finance costs		16,927	18,132
Income tax charge/(credit)		10,778	(787)
Working capital adjustments			
(Decrease)/Increase in inventories		(22,113)	50
Increase in trade and other receivables		(54,133)	(5,206)
Increase in trade and other payables		22,840	6,286
Net cash (used in)/generated from operations		(6,017)	33,240
Cash flow from investing activities			
Purchase of intangible assets	9	(1,292)	(528)
Purchase of property, plant and equipment	11	(23,606)	(23,765)
Proceeds on disposals		-	504
Interest received		115	223
Net cash used in investing activities		(24,783)	(23,566)
Cash flows from financing activities			
Proceeds from external loans		-	60,000
Repayment of intercompany loans		-	(57,470)
Proceeds from government grants		3,165	-
Lease payments		(5,771)	(6,168)
Interest paid		(7,768)	(5,026)
Net cash used in financing activities		(10,374)	(8,664)
Net increase in cash and cash equivalents		(41,174)	1,010
Cash and cash equivalents at the beginning of the year		51,399	50,389
Cash and cash equivalents at the end of the year	14	10,225	51,399

Notes to the Financial Statements For the year ended 31 August 2025

1. Material accounting policies

General information

Fox's Burton's Company Group Limited is a private limited company limited by shares and is incorporated in the United Kingdom, registered in England and Wales and domiciled in the UK. The address of its registered office is Charter Court 74-78 Victoria Street, St Albans, Hertfordshire, AL1 3XH.

The principal activity of Fox's Burton's Company Group Limited (the "Company") and its subsidiaries (together "the Group") during the year was the manufacture and sale of biscuits.

Basis of preparation and compliance with IFRS

The consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The company financial statements have been prepared under FRS 101 "Reduced Disclosure Framework". Both financial statements have been prepared on the historical cost basis, except for derivative financial instruments which have been measured at fair value through the income statement. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are presented in Sterling and has been rounded to the nearest thousand (£'000).

The Company and its subsidiaries were acquired by CTH Invest SA ("CTH") on 21 June 2021 and the company changed its accounting reference date to August following the acquisition. On 21 June 2021, the company's subsidiary, Burton's Foods Limited, acquired the entire share capital of Frontier Acquisitions Limited (which directly owned Dorset Village Bakery Limited and Paterson Arran Limited), both of which are trading subsidiaries) from Frontier Topco Limited, the previous parent company before the acquisition by CTH. On 10 December 2021, the Company acquired the entire share capital of Fox's Biscuits Limited from CTH and passed down the chain to become a subsidiary of Burton's Foods Limited.

The acquisitions of Frontier Acquisitions Limited and Fox's Biscuits Limited are combinations involving entities under common control and have been accounted for by applying the merger accounting principles of predecessor accounting, using the retrospective presentation method. Under this method, the acquired entities' results and balance sheets are incorporated as if all entities had always been combined. The assets and liabilities of the subsidiaries are consolidated at book value in the Group financial statements and the consolidated reserves are adjusted to reflect the statutory share capital, share premium and other reserves of the Company as if it had always been combined, with the difference presented as the merger reserve.

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see later in note 2).

**Notes to the Financial Statements
For the year ended 31 August 2025****1. Material accounting policies (continued)****New standards, amendments and interpretations***New and amended standards adopted by the Group*

The Group has not applied any new or amended standards.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 August 2024 or 31 August 2025 reporting years and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting years on foreseeable future transactions.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at the year end. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and will continue to be consolidated until the date that such control ceases. All intra-Group assets and liabilities, equity, income, expenses, cash flows and unrealised gains and losses relating to transactions between members of the Group are eliminated in full on consolidation.

Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate. Whilst the Group has net current liabilities as at 31 August 2025 of £66.7m, this arises due to the Group's related party debt of £113.6m which is shown within current liabilities. Although these liabilities are due on demand, they are not expected to crystallise within 12 months of the date of signing these financial statements and the Group have provided their support to meet these liabilities if they fall due. As such the Group continues to have a strong balance sheet, and net assets of £235.8m.

The Group prepares detailed forecasts and cash flows on a rolling 12-month basis, with higher level forecasts prepared for the next 18 months. In addition, it assesses the risks and opportunities associated with the underlying assumptions behind the forecasts. The Group's available banking facilities, together with additional support made available to it by its principal shareholder, mean that the Directors believe it is reasonable to assume that the Group will continue to be a going concern.

**Notes to the Financial Statements
For the year ended 31 August 2025****1. Material accounting policies (continued)****Business combinations and goodwill**

Combinations that are not common control transactions are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred and included in exceptional expenses.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Goodwill impairment reviews are undertaken annually or more frequently if events indicate a potential impairment. The carrying value of the cash generating unit is compared to the recoverable amount, which is the higher of value in use and fair value less disposal costs. Any impairment is recognised immediately as an administrative expense and is subsequently not reversed.

Goodwill arising on acquisitions before the transition date to IFRS has been retained at the previous UK Accounting Standards amount, subject to being tested for impairment at that date.

In respect of combinations of entities under common control, the acquired entities' results and balance sheets are incorporated as if all entities had always been combined. The assets and liabilities of the subsidiaries are consolidated at book value in the Group financial statements and the consolidated reserves are adjusted to reflect the statutory share capital, share premium and other reserves of the Company as if it had always been combined, with the difference presented as the merger reserve.

Intangible assets

The Group's intangible assets, other than goodwill, include customer contracts and brands, development costs and computer software, and are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

**Notes to the Financial Statements
For the year ended 31 August 2025****1. Material accounting policies (continued)****Intangible assets (continued)***Customer relationships and brands*

Customer relationships and brands acquired in a business combination are recognised at fair value at the acquisition date. Where they have a finite useful life, they are subsequently carried at cost less accumulated amortisation and impairment losses. Customer relationships are being amortised on a straight line basis over 25 years.

Brands are not amortised, but are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired and are carried at cost less accumulated impairment losses.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use;
- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Development expenditure that does not meet the criteria are recognised as an expense as incurred. Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of no longer than two years commencing in the period sales of the product are first made. Amortisation is recorded in administrative costs. During the period of development, the asset is tested for impairment annually.

Computer software

Costs associated with maintaining computer software programs are recognised as an expense as incurred. Costs incurred to acquire computer software licences and directly attributable costs incurred to bring the software into use are capitalised. Directly attributable costs include software development employee costs.

Capitalised computer software development costs are amortised over their estimated useful lives on a straight-line basis over three to eight years.

Notes to the Financial Statements For the year ended 31 August 2025

1. Material accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure directly related to bringing the asset into working condition. Directly attributable costs include directly attributable employee costs which are incremental to the completion of the asset. Borrowing costs are included in the cost of an asset when they take a substantial period of time to construct, which is generally greater than 18 months. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Land is not depreciated. No depreciation is charged on assets in the course of construction until they are first brought into use. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- Freehold buildings 50 years
- Plant, machinery and equipment, including vehicles 1 to 25 years
- Fixtures and fittings 3 to 15 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An impairment review is performed when there is an indicator of impairment, and an impairment loss recognised in the income statement if the carrying amount exceeds the recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds of disposal with the carrying value and are recognised in the income statement.

Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: purchase cost on an weighted average cost basis
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs, on a first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Trade and other receivables

Trade receivables are amounts due from customers for products sold in the ordinary course of business. Trade and other receivables are recognised initially at fair value less provision for impairment. Fair value tends to represent invoiced amounts. Subsequent to initial recognition, receivables are measured at amortised cost, using the effective interest rate method. The Group uses a simplified provision matrix-based approach in calculating expected credit losses when assessing whether a provision for impairment is required – refer to the accounting policy for financial assets for more detail. The amount of the provision is charged to the income statement within administrative expenses.

**Notes to the Financial Statements
For the year ended 31 August 2025****1. Material accounting policies (continued)****Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets*Initial recognition and measurement*

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policy for revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include trade and other receivables, bank deposits and derivative financial instruments.

**Notes to the Financial Statements
For the year ended 31 August 2025****1. Material accounting policies (continued)****Financial instruments (continued)****a) Financial assets (continued)***Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Only the first and last classifications have been applied by the Group.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, deferred consideration and amounts owing from other Group companies.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments such as forward currency contracts entered into.

**Notes to the Financial Statements
For the year ended 31 August 2025****1. Material accounting policies (continued)****Financial instruments (continued)****a) Financial assets (continued)***Impairment of financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

b) Financial liabilities

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are initially recorded at fair value and subsequently measured at amortised cost using the effective interest rate method.

Loans and borrowings

This is the category most relevant to the Group. Borrowings, including mandatorily redeemable preference shares, are initially recognised at fair value, net of transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least one year after the balance sheet date.

**Notes to the Financial Statements
For the year ended 31 August 2025****1. Material accounting policies (continued)****Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (generally 18 months) are capitalised as part of the cost of the asset. A substantial period of time is generally greater than 18 months. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is credited to deferred income and recognised as income in equal amounts over the expected useful life of the related asset.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Leases

A lease arrangement is established by a contract (the lease) that conveys to the user (the lessee) the right to control the use of an identified asset for a period of time in exchange for consideration. A portion of an asset is an identified asset if it is physically distinct. If it is not physically distinct, the portion of an asset is not an identified asset, unless the lessee has the right to use substantially all of the capacity of the asset during the lease term.

If a contract contains more than one lease component, or a combination of leasing and selling transactions, the consideration is allocated to each of the lease and non-lease components on conclusion and on each subsequent remeasurement of the contract on the basis of their relative stand-alone selling prices.

Group as Lessee

For leases with terms not exceeding twelve months and for leases of low-value assets, the Group has exercised the optional application exemptions. The lease payments under these contracts are generally recognised on a straight-line basis over the lease term as other operating expenses.

**Notes to the Financial Statements
For the year ended 31 August 2025****1. Material accounting policies (continued)****Leases (continued)**

In all other leases in which the Group acts as the lessee, the present value of future lease payments is recognised as a financial liability. Lease payments are split into principal and interest portions, using the effective interest method.

Correspondingly, the right-of-use asset is recognised within property, plant and equipment as the present value of the liability at the commencement date of the lease, adding any directly attributable costs. Payments made before the commencement date and incentives received from the lessor are also included in the carrying amount of the right-of-use asset. The right-of-use asset is depreciated on a straight-line basis over the lease term or, if it is shorter, over the useful life of the leased asset. The provisions of IAS 36 concerning the determination and recognition of impairments of assets also apply to right-of-use assets.

If the expected lease payments change as a result of index-linked consideration, for example, or on the basis of new assessments of contractual options, the liability is remeasured. The adjustment to the new carrying amount generally takes place in equity, with a corresponding adjustment to the right-of-use asset.

In the event of a lease being renewed prior to the balance sheet date, the full value of the asset and corresponding lease liability are recognised on the balance sheet.

Provisions

Provisions in respect of property dilapidations, legal claims, service warranties and make good obligations, are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**Notes to the Financial Statements
For the year ended 31 August 2025****1. Material accounting policies (continued)****Impairment of non-financial assets (continued)**

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the CGU to which the goodwill relates. The Directors consider there to be one CGU for the purposes of impairment testing, being the manufacture and sale of biscuits and snacks. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to sold or consumed in normal operating cycle;
- expected to be realised within twelve months after the reporting year; or
- a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current. A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is due to be settled within twelve months after the reporting year; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, from the proceeds.

**Notes to the Financial Statements
For the year ended 31 August 2025****1. Material accounting policies (continued)****Share premium**

Share premium represents the difference between the nominal value of shares issued and the fair value of consideration received. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Merger reserve

The merger reserve was created as a result of the common control transaction which resulted in Fox's Biscuits Limited joining the Group. Using these merger accounting principles, the assets and liabilities of the subsidiaries are consolidated at book value in the Group financial statements and the consolidated reserves are adjusted to reflect the statutory share capital, share premium and other reserves of the Company as if it had always existed, with the difference presented as the merger reserve.

Revenue from contracts with customers

To determine whether to recognise revenue, the Group follows the 5-step process as set out within IFRS 15:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Group is in the business of selling biscuits to its customers. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the goods. The Group has concluded that it is the principal in its revenue arrangements because it controls the goods before transferring them to the customer. At each balance sheet date, any amounts incurred but not yet invoiced in relation to trade discounts and other allowances, are estimated and deducted from revenue.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.

Sale of biscuits

Revenue from sale of biscuits is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. The normal credit term is 30 to 90 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. volume rebates). In determining the transaction price for the sale of biscuits, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

**Notes to the Financial Statements
For the year ended 31 August 2025****1. Material accounting policies (continued)****Revenue from contracts with customers (continued)***Variable consideration*

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Volume rebates

The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the year exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a liability for the expected future rebates.

Significant financing component

Generally, the Group receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods to the customer and when the customer pays for that good will be one year or less.

Interest revenue

Interest income is recognised on a time proportion basis using the effective interest rate method.

Segment reporting

The Group's principal activity is the manufacture and sale of biscuits, which is considered by the Chief Operating Decision Maker to represent one reportable operating segment.

Exceptional items

In order to illustrate the underlying trading performance of the Group, presentation has been made of performance measures excluding exceptional items which it is considered would distort the comparability of the Group's results. Items which are classified as exceptional costs are considered to be non-recurring and separately identifiable by the directors.

Notes to the Financial Statements For the year ended 31 August 2025

1. Material accounting policies (continued)

Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities and is measured using the tax rates and tax laws that are enacted or substantively enacted, at the reporting date. Current income tax is based on taxable profits for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years (or never).

Current tax income (or expense) relating to items in other comprehensive income (or recognised directly in equity) is also recognised in other comprehensive income (or in equity), as appropriate. Otherwise, current tax income (or expense) is recognised in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. However, deferred tax is not recognised when the deferred tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. It is recognised in the income statement except when it relates to items in other comprehensive income (or recognised directly in equity), in which case, the related deferred tax is recognised in other comprehensive income (or equity), as appropriate.

Investment allowances and similar tax incentives

The company might be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (for example, the Research and Development Tax Incentive regime in the UK or other investment allowances). The company accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

**Notes to the Financial Statements
For the year ended 31 August 2025****1. Material accounting policies (continued)****Foreign currencies**

The Group's consolidated financial statements are presented in Sterling.

Transactions in foreign currencies are initially recorded at the spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions and are not retranslated. Forward foreign currency contracts are classified as derivative financial instruments and recognised (at initial recognition and thereafter) at fair value with movements debited or credited to the income statement.

Dividends

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is approved by the company's shareholders. A corresponding amount is recognised directly in equity.

Employee benefits*(a) Pensions and other post-employment benefits*

The Group operates various pension schemes, including defined contribution and defined benefit schemes. For defined contribution schemes, the Group pays contributions to publicly or privately administered pension insurance schemes on a mandatory, contractual, or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense in the income statement when they fall due.

The Group's main post-retirement arrangements are defined benefit pension plans which require contributions to be made to a separately administered fund. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting year, less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that have terms to maturity approximating to the terms of the related pension obligation.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised immediately in income.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in finance costs in the income statement.

Notes to the Financial Statements For the year ended 31 August 2025

1. Material accounting policies (continued)

Employee benefits (continued)

(a) Pensions and other post-employment benefits (continued)

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in equity in other comprehensive income in the year in which they arise.

(b) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration profit generated in the year after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(c) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as within "Trade and other payables" in the consolidated statement of financial position.

(d) Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits at the earlier of the following dates: (a) when the company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting year are discounted to present value.

2. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties include:

- Capital management Note 18
- Financial risk management and policies Note 20
- Sensitivity analysis disclosures Notes 20 'Financial instruments' and 24 'Pensions'

Notes to the Financial Statements For the year ended 31 August 2025

2. Significant accounting judgements, estimates and assumptions (continued)

Critical accounting estimates and judgements

In the process of applying the Group's accounting policies, management has made the following estimates and judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements, which are described below:

Impairment of goodwill and other indefinite life intangible assets

The annual impairment assessment in respect of goodwill and indefinite life intangibles requires estimates of the value in use (or fair value less costs of disposal) of cash-generating units to which goodwill has been allocated. As a result, estimates of cash flows are required, together with an appropriate discount factor for the purpose of determining the present value of those cash flows. The carrying value of goodwill is £229.4m (2024: £229.4m). Following the annual impairment review, no impairment charge has been recorded against goodwill.

Value in use calculations require the use of estimates and judgements in arriving at expected future cash flows and a suitable discount rate in order to calculate the present value of the flows.

The key assumptions used to determine the recoverable amount are disclosed and further explained in note 9.

Defined benefit plans (pension benefits)

The balance sheet carrying values of the pension scheme surpluses or deficits and the pension cost in the income statement are calculated using independently commissioned actuarial valuations. These valuations are based on a number of assumptions, including the most appropriate mortality rates to apply to the profile of scheme members and the financial assumptions regarding discount rates and inflation. All of these are estimates of future events and are therefore uncertain.

Further details about pension obligations are given in note 24.

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Recognising point in time in which control of asset is transferred to the customer.

The Group exercise judgement in assessing when the control of the biscuit stock is transferred to the customer. For the most part the change of control point is determined to be when the goods are delivered to the customer. However, in situations where the Group does not deliver goods, the Group assesses the change in control with reference to transfer of physical possession, transfer of risks and rewards of ownership and transfer of legal title and conclude on balance this to be at the point of customer collection.

Notes to the Financial Statements For the year ended 31 August 2025

2. Significant accounting judgements, estimates and assumptions (continued)

Estimating variable consideration for volume rebates and returns

The Group estimates variable consideration to be included in the transaction price for the sale of biscuits with volume rebates.

The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date.

The Group applied a statistical model for estimating expected volume rebates for contracts with more than one volume threshold. The model uses the historical purchasing patterns and rebates entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Group.

At each reporting date, the Group provides for amounts expected to be recharged from customers for issues such as disputes on quantities, quality, or complaints from customers relating to sales recognised in the current reporting year. This provision is based on previous experience.

Accounting for promotional funding

The Group arranges promotional activities for its products with customers for agreed fees. The costs of these, along with the costs of early settlement discounts and volume-based rebates are recognised as an offset to revenue in the year to which they relate. Where promotional activities are still in place at the year end, the cost recognised in the year is apportioned on the basis of the length of the promotional activity in days. Where the cost is dependent on the level of utilisation of the promotion by the consumer, an estimated level of utilisation is made on the basis of prior experience in the same activity.

Inventory

The Group assesses and reviews its inventory provision at each reporting date or even more frequently if needed. Provision covers expired goods, goods which do not meet the Group's quality standards and can't be sold, goods to be written-off or slow-moving goods. Goods in stock are carefully reviewed and when needed provision is booked against at cost.

Useful economic lives of property, plant and equipment and intangible assets

Determining the recoverability of property, plant and equipment, and intangibles requires, among other matters, an estimation of future production output and changes in technology. The company applies useful economic lives prescribed by the Group accounting manual, but reviews the estimated useful lives of property, plant and equipment and intangibles periodically or at least at the end of each annual reporting period using several statistical, historical and judgemental factors to reflect the current local status of use of the asset.

Lease Accounting

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is used.

Notes to the Financial Statements For the year ended 31 August 2025

2. Significant accounting judgements, estimates and assumptions (continued)

Lease Accounting (continued)

To determine the incremental borrowing rate, the Group either uses recent third-party financing received by the lessee or uses a build-up approach from risk-free interest adjusted for the credit rating and adjusted for specific leases.

In determining the lease term, management considers extension and termination options and all other circumstances.

Useful life of Intangible assets

The estimated useful life of the customer relationships has been estimated at 25 years. Given the long history of the Fox's brand, management have concluded that all brands have an indefinite life.

Exceptional items

Certain items of income and expense are classified as exceptional items due to their nature or size and are presented separately on the face of the income statement in order to provide a better understanding of the Group's underlying financial performance. Exceptional items, together with depreciation and amortisation and movements in derivatives, are excluded from underlying performance measures in order to present a more meaningful measure of the underlying performance of the business (i.e. 'Adjusted EBITDA').

Items which are classified as exceptional costs are considered to be non-recurring and separately identifiable by the Directors. Consideration is given to exceptional costs and revenue with equal balance where appropriate.

Details of the Group's exceptional items are set out in note 4.

Taxes

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has £21.1m (2024: £28.5m) of tax losses carried forward. These losses do not currently expire and may not be used to offset taxable income elsewhere in the Group.

There were no unrecognised deferred tax assets in 2025 (2024: £Nil) in respect of the remaining decelerated capital allowances as management now consider it probable that there will be sufficient future taxable profits against which these can be utilised.

At 31 August 2025, there was no recognised deferred tax liability (2024: £Nil) for taxes that would be payable on the unremitted earnings of the company's subsidiaries. The company has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future.

Notes to the Financial Statements
For the year ended 31 August 2025

3. Revenue

The chief operating decision-maker of the Group has been identified as the Board of Directors of the Group's principal trading subsidiaries Burton's Foods Limited and Fox's Biscuits Limited ("the Executive Board"). The Executive Board reviews the Group's internal reporting in order to assess performance and allocate resources. The Internal Board has determined that the Group has one operating and reportable segment, being the baking and sale of biscuits. All revenue originates in the UK.

An analysis of revenue by destination is set out below:

	Year Ended	53-week year Ended
	31	31
	August	August
	2025	2024
	£'000	£'000
United Kingdom	618,947	586,569
Rest of Europe	67,957	43,210
North America	2,223	1,203
Other	6,179	7,018
	695,306	638,000

Revenues of £361.7m (2024: £344.5m) have been derived from 5 customers (2024: 5 customers).

4. Operating profit

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

	Year Ended	53-week year Ended
	31	31
	August	August
	2025	2024
	£'000	£'000
Staff costs (Note 5)	156,011	143,641
Depreciation of owned property, plant, and equipment	12,584	16,614
Depreciation of right-of-use assets	5,545	4,877
Amortisation of intangible assets	3,103	2,439
Loss on disposal of fixed assets	14	198
Auditors' remuneration – audit fees for the audit of the (2024 Revised) consolidated financial statements	72	35
Auditors' remuneration – audit fees for the audit of the subsidiary (2024 Revised) financial statements	374	378
Exceptional items	-	4,600
Release of government grants	-	(5)
Advertising expenditure	24,273	20,404
Research and development expenditure	4,559	2,859
Foreign exchange losses/(gains)	143	(386)

**Notes to the Financial Statements
For the year ended 31 August 2025**

4. Operating profit (continued)

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

The net gain or loss on financial instruments at fair value through profit or loss relates to foreign exchange forward contracts that did not qualify for hedge accounting.

Exceptional items

	Year Ended 31 August 2025 £'000	53-week year Ended 31 August 2024 £'000
Included within Administrative expenses		
Costs in relation to professional fees	-	2,500
Costs in relation to new Enterprise Resource Planning system	-	2,100
	<u>-</u>	<u>4,600</u>

£Nil (2024: £2.5m) of professional costs were incurred on the restructure and integration plans.

£Nil (2024: £2.1m) of costs were incurred for the implementation of a new Enterprise Resource Planning system.

5. Staff costs

Staff costs, including Directors' remuneration, were as follows:

	Year Ended 31 August 2025 £'000	53-week year Ended 31 August 2024 £'000
Wages and salaries	134,256	123,453
Social security costs	14,334	11,443
Other pension costs: Defined contribution pension scheme contributions	6,752	8,053
Other pension costs: Defined benefit pension scheme current service costs (note 24)	669	692
	<u>156,011</u>	<u>143,641</u>

**Notes to the Financial Statements
For the year ended 31 August 2025**

5. Staff costs (continued)

The average monthly number of employees, including the Directors, during the year was as follows:

	Year Ended 31 August 2025 No.	53-week year Ended 31 August 2024 No.
Production, selling and distribution	3,305	3,313
Administration	434	408
	3,739	3,721

6. Directors' remuneration and key management compensation

The Directors did not receive any remuneration for their services to the company.

Key management personnel of the Group are defined as the 'Executive Board' of Fox's Burton's Companies (FBC) UK Limited. The total emoluments of key management are:

	Year Ended 31 August 2025 £'000	53-week year Ended 31 August 2024 £'000
Short-term employee benefits	3,831	3,150
Post-employment benefits	-	41
Termination benefits	-	235

7. Finance costs – net

	Year Ended 31 August 2025 £'000	53-week year Ended 31 August 2024 £'000
Finance costs		
Interest payable on bank borrowings	4,122	2,963
Finance charges payable under lease contracts	483	717
Other interest	8,569	10,322
Total interest expense	13,174	14,002
Interest on pension scheme liabilities	3,753	4,130
Total finance costs	16,927	18,132

**Notes to the Financial Statements
For the year ended 31 August 2025**

7. Finance costs – net (continued)

	Year Ended 31 August 2025 £'000	53-week year Ended 31 August 2024 £'000
Finance income		
Bank interest receivable	(113)	(223)
Other interest receivable	(2)	-
	<u>(115)</u>	<u>(223)</u>
Net finance expense		
Finance income	(115)	(223)
Finance costs	16,927	18,132
	<u>16,812</u>	<u>17,909</u>

8. Income tax charge (credit)

	Year Ended 31 August 2025 £'000	53-week year Ended 31 August 2024 £'000
Analysis of tax credit in the year		
UK corporation tax charge on profit for the period	2,668	-
Adjustment in respect of previous years	509	419
Total current tax	<u>3,177</u>	<u>419</u>
Deferred tax		
Origination and reversal of temporary differences	5,982	(1,276)
Deferred tax movement due to change in pension scheme deficit	315	(157)
Adjustment in respect of previous years	1,304	227
Total deferred tax	<u>7,601</u>	<u>(1,206)</u>
Total tax charge/(credit)	<u>10,778</u>	<u>(787)</u>

**Notes to the Financial Statements
For the year ended 31 August 2025**

8. Income tax (continued)

Factors affecting the charge/(credit)

The charge/(credit) for the year can be reconciled to the profit/(loss) per the consolidated statement of comprehensive income as follows:

	Year Ended 31 August 2025 £'000	53-week year Ended 31 August 2024 £'000
Profit/(Loss) before taxation	14,345	(6,421)
Tax at the UK corporation tax rate of 25% (2024: 25%)	3,586	(1,605)
Effects of:		
Expenses not deductible for tax purposes	1,799	3,005
Group relief surrendered for nil consideration	207	111
Fixed asset differences	281	(1,026)
Transfer pricing adjustment	-	(1,762)
Adjustments in respect of previous years – corporation tax	509	419
Adjustments in respect of previous years – deferred tax	1,304	227
Deferred tax not recognised	3,092	(156)
Total tax charge/(credit)	10,778	(787)
Net deferred tax asset		
	31 August 2025 £'000	31 August 2024 £'000
Pensions	18,270	19,279
Tax losses carried forward	21,080	28,508
Other timing differences	1,967	1,987
	41,317	49,774
Decelerated capital allowances and intangible assets	(26,198)	(26,360)
	(26,198)	(26,360)
	15,119	23,414

**Notes to the Financial Statements
For the year ended 31 August 2025**

8. Income tax (continued)

	31 August 2025	31 August 2024
	£'000	£'000
Deferred taxation brought forward	23,414	22,545
Deferred tax in the income statement:		
Accelerated capital allowances	(2,045)	(5,680)
Pensions	(315)	158
(Utilisation) / recognition of tax losses	(3,918)	4,981
Fair value adjustments to property, plant and equipment	-	571
Prior period adjustments	(1,304)	-
Other short term timing differences	(19)	1,176
Deferred tax in the comprehensive income:		
Pensions	(694)	(337)
Deferred taxation asset	15,119	23,414
	31 August 2025	31 August 2024
	£'000	£'000
Deferred tax liabilities due within 12 months	(7,326)	(9,531)
Carrying amount at year end	(7,326)	(9,531)
Deferred tax assets due in more than 12 months	41,317	49,774
Deferred tax liabilities due in more than 12 months	(18,872)	(16,829)
Carrying amount at year end	22,445	32,945
Total carrying amount at year end	15,119	23,414

The recognition of deferred tax assets is supported by the Group's expected projections to utilise these against future trading profits in the short to medium term.

As at 31 August 2025 the Group has recognised £16.6m (2024: £26.4m) of deferred tax liabilities for intangible assets recognised at the date of the business combination.

At 31 August 2025, there was no recognised deferred tax liability (2024: £Nil) for taxes that would be payable on the unremitted earnings of the company's subsidiaries. The company has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future.

At 31 August 2025 there was unrecognised tax losses of £18.6m (2024: £6.2m) which the Group does not project to utilise against trading profits in the short to medium term.

Notes to the Financial Statements
For the year ended 31 August 2025

9. Intangible assets

	Goodwill £'000	Development costs £'000	Brand & customer relationships £'000	Computer software £'000	Software under construction £'000	Right-of-use software £'000	Total £'000
Cost							
At 27 August 2023	229,446	3,023	74,969	8,471	-	2,740	318,649
Additions	-	1	-	(843)	-	1,409	567
Transfers from Tangible assets	-	-	-	5,599	-	-	5,599
Disposals	-	-	(3,127)	(5,679)	-	(2,070)	(10,876)
At 31 August 2024	229,446	3,024	71,842	7,548	-	2,079	313,939
Additions	-	-	-	1,292	-	-	1,292
Transfers from Tangible assets	-	-	-	7,185	-	-	7,185
Disposals	-	-	-	-	-	(1,754)	(1,754)
At 31 August 2025	229,446	3,024	71,842	16,025	-	325	320,662
Accumulated amortisation							
At 27 August 2023	-	2,830	4,639	4,808	-	2,037	14,314
Charge for the year	-	-	1,338	460	-	641	2,439
Eliminated on Disposal	-	-	(3,489)	(4,984)	-	(2,085)	(10,558)
At 31 August 2024	-	2,830	2,488	284	-	593	6,195
Charge for the year	-	194	1,338	1,477	-	94	3,103
Eliminated on Disposal	-	-	-	-	-	(429)	(429)
At 31 August 2025	-	3,024	3,826	1,761	-	258	8,869
Net Book Value							
At 31 August 2024	229,446	194	69,354	7,264	-	1,486	307,744
At 31 August 2025	229,446	-	68,016	14,264	-	67	311,793

Notes to the Financial Statements For the year ended 31 August 2025

9. Intangible assets (continued)

Impairment testing of goodwill and brands

Goodwill and brands acquired through business combinations is allocated to the Group's cash generating unit (CGU), Fox's Burton's Companies (FBC) UK Limited, being the manufacture of biscuits, which is the only operating and reportable segment for impairment testing.

The Group annually tests goodwill and brands for impairment, where it compares the recoverable amount of the Group's CGU with the carrying values of goodwill and brands. The recoverable amount of the CGU is based on a value in use calculation, which involves discounting the future cash flows generated from the continuing use of the CGU using a pre-tax weighted average cost of capital (WACC).

The future cash flows for the value in use calculation were based on:

- 2026-2030: 5-year business plan agreed by the Group's Directors
- Perpetuity period: 2030 free cash flow of £44m extrapolated using a perpetual growth rate of 1.1% (2024: 1%), which is based on the UK Office of Budget Responsibility's forecast for UK growth from 2025 onwards.

The key assumptions contained within the Group's 2026 – 2030 business plan are as follows:

- Sales growth rates: Growth rates for the majority of the Group's portfolio are based on a combination of recent sales trends and the estimated future growth rates between 3% and 5%. The annualisation of new business won during 2025 as well as the recovery of inflation from key retailers is a key driver of this growth. Growth rates for recent fast-growing products launched were estimated based on initial rates of sale seen and the historical performance of similar launches undertaken by the Group.
- Cost base: Extrapolated based on historical costs and sales growth.
- Capital expenditure: is based on historical levels of spend required to properly maintain the Group's property plant and equipment as well as any committed capital investment required to support the Group's growth agenda.

A pre-tax WACC of 10.67% with the various components being updated for the current economic environment, including revised systematic beta information from several comparable food manufacturing companies and updated rates of return on long-term government bonds.

A sensitivity analysis of £10m downturn in EBITDA profitability over the plan years resulted in no indications of impairment.

The value in use calculation confirmed that the recoverable amount of the Group's CGU exceeded its carrying value and as such, no impairment of goodwill has been recorded.

Amortisation on intangible assets is included within administrative expenses in the Income Statement.

Right-of-use software

Included within intangible assets are leases for software programs which Burton's is deemed to control and the programs are deemed to be sufficiently customised to Burton's. The largest leased items are for the Group's Enterprise Resource Planning system software and for its business continuity package.

Notes to the Financial Statements For the year ended 31 August 2025

9. Intangible assets (continued)

Customer relationships

The Group has long and well-established relationships with its customers. Management has decided that an intangible asset was acquired as part of the acquisition of the Fox's Biscuits business. The asset is being amortised on a straight-line basis over 25 years.

Brands

The Group has capitalised certain brands within the Fox's Biscuits portfolio based on their fair value at the time of their acquisition. Given the long history of the Fox's brand, management have concluded that all brands have an indefinite life. The company has no plans to rebrand the business in the foreseeable future.

10. Details of Group undertakings

The consolidated financial statements of the Group include the following subsidiaries:

Name	Principal activities	Country of incorporation	% equity interest	
			2025	2024
Fox's Burton's Companies (FBC) UK Limited (previously Burton's Foods Limited)	Biscuit manufacture and sale	England and Wales	100%	100%
Fox's Biscuits Limited	Dormant	England and Wales	100%	100%
Paterson Arran Limited	Dormant	England and Wales	100%	100%
Fox's Burton's Company (FBC) UK Holdings Limited	Investment company	England and Wales	100%	100%
Burton's Gold Medal Biscuits Limited	Dormant	England and Wales	100%	100%

Other than the company's investment in Fox's Burton's Company (FBC) UK Holdings Limited, all investments are not directly held by Fox's Burton's Company Group Limited.

The Directors believe that the carrying amount of the investments is supported by their future cash generation.

Fox's Burton's Company Group Limited has guaranteed the debts and liabilities of the following subsidiary undertakings at the balance sheet date in accordance with section 479C of the Companies Act 2006. The following subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the audit of individual financial statements by virtue of section 479A of that Act: Fox's Burton's Company (FBC) Holdings UK Limited (company number 08772230), Fox's Biscuits Limited (12900055), Fox's Burton's Companies (FBC) UK Limited (02086754) and Paterson Arran Limited (SC160041).

The registered office for all United Kingdom subsidiaries is Charter Court 74 – 78 Victoria Street, St Albans, Hertfordshire, AL1 3XH, with the exception of Fox's Biscuits Limited which is Fieldfisher LLP, Riverbank House, 2 Swan Lane, London, EC4R 3TT.

**Notes to the Financial Statements
For the year ended 31 August 2025**

11. Property, plant and equipment

	Land and Buildings £'000	Plant and machinery £'000	Fixtures and fittings £'000	Construction in progress £'000	Right-of-use assets £'000	Total £'000
Cost						
At 1 September 2024	29,249	264,847	33,451	22,722	26,998	377,267
Additions	-	7,710	113	15,783	15,750	39,356
Disposals	-	(145)	(326)	-	(7,207)	(7,678)
Transfers	-	8,408	936	(9,344)	-	-
Transfers to intangibles assets	-	-	-	(7,185)	-	(7,185)
At 31 August 2025	29,249	280,820	34,174	21,976	35,541	401,760
Accumulated depreciation and impairment						
At 1 September 2024	12,477	208,183	27,277	-	16,675	264,612
Charge for the year	178	11,067	1,339	-	5,545	18,129
Eliminated on disposal	-	(145)	(285)	-	(7,179)	(7,609)
At 31 August 2025	12,655	219,105	28,331	-	15,041	275,132
Net Book Value						
At 31 August 2025	16,594	61,715	5,843	21,976	20,500	126,628
At 31 August 2024	16,772	56,664	6,174	22,722	10,323	112,655

**Notes to the Financial Statements
For the year ended 31 August 2025**

11. Property, plant and equipment (continued)

	Land and Buildings £'000	Plant and machinery £'000	Fixtures and fittings £'000	Construction in progress £'000	Right-of-use assets £'000	Total £'000
Cost						
At 27 August 2023	32,843	298,755	21,733	13,054	24,850	391,235
Additions	49	4,383	3	19,330	3,878	27,643
Disposals	-	(6,440)	-	-	(1,730)	(8,170)
Transfers	42	4,072	-	(4,114)	-	-
Transfers to intangibles assets	-	-	-	(5,599)	-	(5,599)
Adjustments	(3,685)	(35,923)	11,715	51	-	(27,842)
At 31 August 2024	29,249	264,847	33,451	22,722	26,998	377,267
Accumulated depreciation and impairment						
At 27 August 2023	14,552	236,140	15,317	-	13,669	279,678
Charge for the year	701	14,307	1,606	-	4,877	21,491
Eliminated on disposal	-	(6,247)	-	-	(1,730)	(7,977)
Adjustments	(2,776)	(36,017)	10,354	-	(141)	(28,580)
At 31 August 2024	12,477	208,183	27,277	-	16,675	264,612
Net Book Value						
At 31 August 2024	16,772	56,664	6,174	22,722	10,323	112,655
At 27 August 2023	18,291	62,615	6,416	13,054	11,181	111,557

**Notes to the Financial Statements
For the year ended 31 August 2025**

11. Property, plant and equipment (continued)

Right-of-use assets included within Property, plant, and equipment

	Land and buildings £'000	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost					
At 27 August 2023	11,830	12,780	107	133	24,850
Additions	-	3,436	420	22	3,878
Disposal	-	(1,610)	-	(120)	(1,730)
At 31 August 2024	11,830	14,606	527	35	26,998
Additions	13,199	2,210	-	341	15,750
Disposal	(2,092)	(5,102)	-	(13)	(7,207)
At 31 August 2025	22,937	11,714	527	363	35,541
Accumulated depreciation					
At 27 August 2023	5,876	7,615	50	128	13,669
Charge for the year	2,750	2,086	21	20	4,877
Disposals	-	(1,751)	-	(120)	(1,871)
At 31 August 2024	8,626	7,950	71	28	16,675
Charge for the year	2,313	3,023	170	39	5,545
Disposals	(2,092)	(5,074)	-	(13)	(7,179)
At 31 August 2025	8,847	5,899	241	54	15,041
Net book value					
At 31 August 2025	14,090	5,815	286	309	20,500
At 31 August 2024	3,204	6,656	456	7	10,323

The Group's right-of use assets reflects leases for the following items:

- 57,000 defined pallet spaces at a logistics warehouse in Liverpool.
- Specific logistics transport assets including core truck fleet for outbound deliveries and forklift trucks used within the logistics warehouse
- Vehicles used within the Group's bakeries (e.g. forklift trucks)
- Elements of three production lines provided by two co-manufacture partners
- Office building used for the Group in St Albans
- Minor office and admin assets (e.g. vending machines, photocopiers, motor vehicles)

**Notes to the Financial Statements
For the year ended 31 August 2025**

12. Inventories

	31 August 2025	31 August 2024
	£'000	£'000
Raw materials and consumables	26,000	20,508
Work in progress	3,788	3,962
Finished goods	79,443	62,648
	109,231	87,118

There is no material difference between the replacement cost and historical cost of inventories. In the year ended 31 August 2025 £548.4m (2024: £474.8m) was recognised in cost of sales as an expense for inventories. The amount of inventories written down and recognised as an expense within operating profit during 2025 was £Nil (2024: £Nil).

13. Trade and other receivables

	31 August 2025	31 August 2024
	£'000	£'000
Trade receivables	132,570	81,415
Less: provision for impairment of trade receivables	(1,547)	(2,992)
Net trade receivables	131,023	78,423
Prepayments and contract assets	12,547	11,014
	143,570	89,437

There are no material differences between the book values and the fair values of trade and other receivables. The ageing analysis of trade receivables is as follows:

	31 August 2025	31 August 2024
	£'000	£'000
Neither past due nor impaired	111,962	75,666
30 days or less	12,286	1,924
31 to 90 days	3,200	681
Greater than 90 days	5,122	3,144
Less provisions for impairment	(1,547)	(2,992)
	131,023	78,423

**Notes to the Financial Statements
For the year ended 31 August 2025**

13. Trade and other receivables (continued)

Set out below is the movement in the allowance for expected credit losses for trade receivables:

	31 August 2025	31 August 2024
	£'000	£'000
At beginning of year	2,992	1,668
(Credit)/Charge for the year – Administrative expense	(557)	1,324
Amounts utilised	(888)	-
	1,547	2,992

The increase in the provision year-on-year reflects the increase in sales across international markets.

The other classes of trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security. Approximately 13.0% of the Group's accounts receivable at 31 August 2025 was from one customer (2024: 13.8% for one customer). While the Group is exposed to credit losses due to the non-performance of its counterparties, the Group considers the risk of this remote.

Refer to note 20 for more information about the Group's approach to managing credit risk.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies.

	31 August 2025	31 August 2024
	£'000	£'000
UK Pound	125,485	75,723
Euros	6,655	5,551
US Dollar	430	141
	132,570	81,415

14. Cash and cash equivalents

	31 August 2025	31 August 2024
	£'000	£'000
Cash and cash equivalents	10,225	51,399

Cash at bank earns interest at floating rates based on daily bank deposit rates.

**Notes to the Financial Statements
For the year ended 31 August 2025**

15. Trade and other payables

	31 August 2025 £'000	31 August 2024 £'000
Trade payables	122,516	74,524
Amounts owed to Group undertakings	113,637	106,660
Other taxation and social security	4,154	20,415
Corporation tax	3,030	-
Accruals and other payables	79,181	89,496
	322,518	291,095

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. They are non-interest bearing and are settled in accordance with contractual payment terms.

Amounts owed to Group undertakings are unsecured with no specified date of repayment and at an interest rate of 0.85%.

16. Provisions

	Dilapidation Provision £'000
At 27 August 2023	529
Unwind of discount	8
Provided in the year	200
At 31 August 2024 and 31 August 2025	737

	31 August 2025 £'000	31 August 2024 £'000
Current	737	-
Non-current	-	737
	737	737

The provision relates to the anticipated cost of exiting certain of the Group's properties. The provision is expected to be utilised over the next 12 months and has therefore been shown as a current provision in the current year.

**Notes to the Financial Statements
For the year ended 31 August 2025**

17. Borrowings

	Interest rate	Maturity	31 August 2025 £'000	31 August 2024 £'000
Current				
Lease liabilities		2016-2027	6,379	4,734
			6,379	4,734
Non-current				
Lease liabilities		2016-2027	14,701	7,747
<i>Bank loan:</i>				
Crédit Agricole Corporate and Investment Bank (Sinor +2.5%)	7.5%	21 February 2027 - February 2029	60,000	60,000
			74,701	67,747

Under the terms of the bank loan, which has a carrying amount of £60m (2024 – £60m), the Group is required to comply with the following financial covenants at the end of each annual and 6-month reporting period:

- Net borrowings must be less than four times EBITDA

The group has complied with these covenants throughout the reporting period.

As at 31 August 2025, the ratio of EBITDA to debt was 3.52 (2024: 3.18). There are no indications that the entity may have difficulties complying with the covenants when they will next be tested on 28 February 2026 and for the next 12 months.

There are no material differences between the book values and fair values of financial liabilities and financial assets.

Interest is charged on the loan annually based on SONIA plus c2.5%.

Notes to the Financial Statements
For the year ended 31 August 2025

18. Capital management

For the purpose of the Group's capital management, capital includes issued capital, preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and to maintain an optimal capital structure to minimise the Group's cost of capital.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares or loan notes.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt before unamortised debt costs. The Group's policy is to keep the gearing ratio between 10% and 30%. The Group includes within net debt interest-bearing third-party loans and borrowings, trade and other payables, less cash and cash equivalents. Loan notes and preference shares which are held by shareholders for the purposes of capital management are considered to be part of capital.

	31 August	31 August
	2025	2024
	£'000	£'000
Lease liabilities (note 17)	21,080	12,481
Trade and other payables (note 15)	208,881	184,435
Bank Loans (note 17)	60,000	60,000
Less: cash and short-term deposits (note 14)	(10,225)	(51,399)
Net external debt	279,736	205,517
	31 August	31 August
	2025	2024
	£'000	£'000
Related party current debt (note 15)	113,637	106,660
Share capital (note 21)	148,042	148,042
Share premium	266,231	266,231
Total capital	527,910	520,933
Capital and net debt	807,646	726,450
Gearing ratio	53%	39%

Other than described above there were no changes were made in the objectives, policies or processes for managing capital during current or previous financial years.

**Notes to the Financial Statements
For the year ended 31 August 2025**

19. Government grants

	31 August 2025	31 August 2024
	£'000	£'000
At the start of the year	218	223
Grants received in the year	3,165	-
Released to the statement of profit or loss	-	(5)
At the end of the year	3,383	218
Current	103	8
Non-current	3,280	210
	3,383	218

Government grants have been received for the purchase of certain items of property, plant, and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

20. Financial instruments

	31 August 2025	31 August 2024
	£'000	£'000
Borrowings		
Lease commitments	21,080	12,481
Bank loan	60,000	60,000
Amounts owed to Group undertakings	113,637	106,660
Total fixed rate financial liabilities	194,717	179,141
Total Borrowings	194,717	179,141

**Notes to the Financial Statements
For the year ended 31 August 2025**

20. Financial instruments (continued)

Summary of financial assets and liabilities by category

The carrying amount of financial assets and liabilities recognised may also be categorised as follows:

	31 August 2025	31 August 2024
	£'000	£'000
Financial assets		
<i>Financial assets measured at amortised cost</i>		
Trade and other receivables	131,023	78,423
Cash and cash equivalents	10,225	51,399
	141,248	129,822
Financial liabilities		
<i>Financial liabilities measured at amortised cost</i>		
<i>Non-current:</i>		
Borrowings	(60,000)	(60,000)
Lease liabilities	(14,701)	(7,747)
<i>Current:</i>		
Lease liabilities	(6,379)	(4,734)
Trade and other payables	(243,337)	(201,599)
Accruals and other payables	(79,181)	(89,496)
	(403,598)	(363,576)
<i>Financial liabilities measured at fair value through other comprehensive income</i>		
Retirement benefit obligations	(73,079)	(77,116)
Net financial assets and liabilities	(335,429)	(310,870)
Non-financial assets and liabilities		
Goodwill and other intangible assets	311,793	307,744
Property, plant and equipment	106,128	102,332
Right of use assets	20,500	10,323
Net deferred tax asset	15,119	23,414
Inventory	109,231	87,118
Prepayments and contract assets	12,547	11,014
Government grants	(3,383)	(218)
Provisions	(737)	(737)
	571,198	540,990
Total equity	235,769	230,120

**Notes to the Financial Statements
For the year ended 31 August 2025****20. Financial instruments (continued)**

The only financial instruments which the Group holds at fair value are derivative financial instruments, which are classified as at fair value through profit or loss. For all other financial instruments there are no material differences between book value and fair value.

IFRS 13 'Fair Value Measurement' requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

Level 1: unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data.

All fair values have been calculated at Level 2 in 2025 and 2024 and there have been no transfers between levels.

The Level 2 fair values of derivative financial instruments have been obtained using a market approach and reflect the estimated amount the Group would expect to pay or receive on termination of the instruments. The Group obtains such valuations from counterparties who use a variety of assumptions based on market conditions existing at each balance sheet date.

The fair values of all non-derivative financial instruments are equal to their book values. The carrying amount less impairment provision of trade receivables, other receivables, and trade loans, and the carrying amount of trade payables and other payables, are assumed to approximate their fair values.

Financial risk factors

The Group is exposed to a variety of financial risks through its operating activities. These risks include market risk, interest rate risk, foreign currency risk, counterparty risk, credit risk and liquidity risk. Given the size of the Group, the Directors have not established a sub-committee of the Board to monitor financial risk management but have established policies that are implemented and monitored by the Board. The Board also receives regular updates in relation to the risks and hedging strategies to mitigate the risk to the Group. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, and derivative financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

**Notes to the Financial Statements
For the year ended 31 August 2025****20. Financial instruments (continued)**

As the Group is not exposed to variable interest rates there is no risk of interest rates increasing or decreasing and as such no disclosure has been made of the impact of a 1% increase or decrease in interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the purchase and sale of goods in foreign currency (principally Euro's and US Dollar). The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and purchases.

The Group is exposed to the transactional risk of fluctuations in foreign currency. The Group seeks to hedge the majority of this risk using forward foreign exchange contracts. The notional principal amounts of the outstanding forward currency contact at 31 August 2025 were £Nil (2024: £Nil).

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by credit insurance obtained from reputable institutions. At 31 August 2025, approximately 13.0% (2024: 13.8%) of the Group's trade receivable balance was with one customer (2024: one customer).

**Notes to the Financial Statements
For the year ended 31 August 2025**

20. Financial instruments (continued)

Credit risk (continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for Groupings of various customer segments with similar loss patterns (i.e., by geographical region, operating segment and type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 16. The Group does not hold collateral as security. Credit insurance is considered integral part of trade receivables and considered in the calculation of impairment. At 31 August 2025, approximately 80% (2024: approximately 80%) of the Group's trade receivables are covered by credit insurance. All trading outside of credit limits is approved by the finance function and is reviewed by the Board of Directors. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and operate in several different retail channels.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

	Trade receivables				Total
	Current	< 30 days	30 – 90 days	> 91 days	
	£'000	£'000	£'000	£'000	£'000
Year ended 31 August 2025					
Expected credit loss rate	0.751%	1.359%	4.906%	7.458%	1.167%
Estimated gross carrying amount of debt	111,962	12,286	3,200	5,122	132,570
Expected credit loss	(841)	(167)	(157)	(382)	<u>(1,547)</u>
					<u>131,023</u>

	Trade receivables				Total
	Current	< 30 days	30 – 90 days	> 91 days	
	£'000	£'000	£'000	£'000	£'000
Year ended 31 August 2024					
Expected credit loss rate	0.724%	4.522%	4.552%	73.982%	3.675%
Estimated gross carrying amount of debt	75,666	1,924	681	3,144	81,415
Expected credit loss	(548)	(87)	(31)	(2,326)	<u>(2,992)</u>
					<u>78,423</u>

**Notes to the Financial Statements
For the year ended 31 August 2025**

20. Financial instruments (continued)

Credit risk (continued)

A high proportion of the Group's trade receivable balance (approximately 80%) is covered under a credit insurance agreement. The majority of the balance which is over 90 days old, some of which is not covered by this insurance and therefore has been fully provided against.

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Group's finance function. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Liquidity risk

The Group applies a prudent liquidity risk management policy, which involves maintaining sufficient cash, ensuring the availability of funding through an adequate amount of committed credit facilities. The Group actively maintains a mixture of medium-term and short-term debt finance, which is designed to ensure that it has access to sufficient funds for ongoing working capital needs as well as planned capital investment and expansion generally. The amount of debt finance required is reviewed by the Board annually and the forecast funding requirements on a monthly basis.

The Group's approach to managing liquidity is to prepare and monitor the Group's rolling cashflow requirements to ensure that it has sufficient cash to meet its operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on its borrowing facilities. The Group's borrowing covenants are subject to regular review.

The tables below analyse the Group's financial liabilities and non-settled derivative financial instruments into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows.

	Within one year or on demand £'000	Between one and two years £'000	Between two and five years £'000	Greater than five years £'000	Total £'000
Year ended 31 August 2025					
Lease liabilities	7,618	4,884	11,327	489	24,318
Bank loan	-	-	60,000	-	60,000
Trade and other payables	322,518	-	-	-	322,518
	330,136	4,884	71,327	489	406,836

**Notes to the Financial Statements
For the year ended 31 August 2025**

20. Financial instruments (continued)

	Within one year or on demand £'000	Between one and two years £'000	Between two and five years £'000	Greater than five years £'000	Total £'000
Year ended 31 August 2024					
Lease liabilities	4,734	3,590	3,126	1,031	12,481
Bank loan	-	-	20,000	40,000	60,000
Trade and other payables	291,095	-	-	-	291,095
	<u>295,829</u>	<u>3,590</u>	<u>23,126</u>	<u>41,031</u>	<u>363,576</u>

The above tables do not include the interest and dividend cash flows for the shareholder loan notes classified as borrowings. The amount shown in the tables include the principal amount plus accrued interest up to the balance sheet date. The expectation remains that finance costs accrued on the shareholder loan notes will continue to be capitalised annually. Therefore, whilst the repayment date for the accrued costs is within 1 year, cash outflows are not expected to occur until after 5 years.

The expected timing of repayment of the loans and associated interest is unknown and may occur before the maturity date. The timing of repayment will affect the ultimate amount of loan and interest repayments to be paid to the lenders.

21. Share capital

Group and Company	31 August 2025 £'000	31 August 2024 £'000
Allotted, called up and fully paid		
148,042,276 (2024: 148,042,276) A Ordinary shares of £1 each	148,042	148,042
100 (2024: 100) B Ordinary shares of £1 each	-	-
	<u>148,042</u>	<u>148,042</u>

Each A ordinary share carries an entitlement to vote in all circumstances, except in relation to the election, appointment, or removal of Directors of the company and carries an entitlement to dividends.

Each B ordinary share carries an entitlement to vote only in respect of the election, appointment, or removal of Directors of the company and carries no economic rights, no entitlement to dividends or other distributions.

Fox's Burton's Company Group Limited

Notes to the Financial Statements
For the year ended 31 August 2025

22. Analysis and reconciliation of net debt

	1 September 2024	Other non- cash changes	Accrued interest	Cashflow	31 August 2025
	£'000	£'000	£'000	£'000	£'000
Cash and cash equivalents	51,399	-	-	(41,174)	10,225
Loans and borrowings	(60,000)	-	-	-	(60,000)
IFRS 16 lease liability	(12,481)	(13,887)	(483)	5,771	(21,080)
Net debt	<u>(21,082)</u>	<u>(13,887)</u>	<u>(483)</u>	<u>(35,403)</u>	<u>(70,855)</u>

	27 August 2023	Other non- cash changes	Accrued interest	Cashflow	31 August 2024
	£'000	£'000	£'000	£'000	£'000
Cash and cash equivalents	50,389	-	-	1,010	51,399
Loans and borrowings	(54,329)	-	-	(5,671)	(60,000)
IFRS 16 lease liability	(12,989)	(5,003)	(657)	6,168	(12,481)
Net debt	<u>(16,929)</u>	<u>(5,003)</u>	<u>(657)</u>	<u>1,506</u>	<u>(21,082)</u>

23. Contingent liabilities

On 28 October 2020, Bravo 1 Holdco Limited acquired the trade and assets of Fox's Biscuits business related to the Batley and Kirkham factories from Northern Foods Grocery Group Limited, as well as the related properties held by Northern Foods Limited. No equity instruments were acquired.

As part of the business combination, the Group assumed an established workforce of over 1,000 employees. There are certain obligations which are not included in these financial statements since the Directors consider any settlement outflow to be uncertain. The Directors consider further disclosure to be prejudicial to the business.

**Notes to the Financial Statements
For the year ended 31 August 2025****24. Retirement benefit obligations**

The Group operates a funded final salary defined benefit pension scheme, the Burton's Foods Pension Scheme ("the Scheme"). The assets of the Scheme are held separately from those of the company, being invested by independent investment managers. The Scheme is governed by a Trustee who is required by law to act in the best interests of the Scheme members and is responsible for setting policies together with the company. The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator, and Guidance Notes adopted by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension plans in the UK.

The Scheme exposes the Group to actuarial risks such as longevity risk, interest rate risk, market (investment) risk and currency risk. A decrease in corporate bond yields, a rise in inflation or an increase in life expectancy would result in an increase to Scheme liabilities. This would detrimentally impact the balance sheet position, require an increase in future cash contributions from the company and may give rise to increased charges in future years.

The Scheme was set up following the Group's acquisitions of Burton's Gold Medal Biscuits Limited and The Horizon Biscuit Company Limited. The Scheme commenced on 6 April 2001 and Burtons Gold Medal Biscuits Limited employees were eligible to join from that date. Prior to this date employees participated in the AB Foods Pension Scheme. A bulk transfer payment was paid by the AB Foods Pension Scheme to the Scheme on 1 November 2001 in respect of the employees' accrued pension rights transferred to the Scheme.

Employees of The Horizon Biscuit Company Limited were eligible to join the Scheme from 1 August 2001. Prior to this date employees participated in the Premier Brands Pension Fund or the HF Pension Scheme. A bulk transfer payment was paid by the HF Pension Scheme and the Premier Brands Pension Fund in respect of employees' accrued pension rights to be transferred to the Scheme in October 2002.

Pension costs are accounted for on the basis of charging the cost of providing pensions over the years during which the Group benefits from the employees' services. The service cost will be expected to increase using the projected unit method as the members near retirement as a proportion of pensionable pay. However as active members leave and/or retire the total pensionable payroll figure will fall and so the service cost is expected to decline over time.

These two factors mean that (unless there are significant one-off events in the future) in absolute terms the service cost should not vary materially from year to year.

The IAS 19 (revised) calculations have been based on the results of the triennial actuarial valuation of the Scheme as at 5 April 2023, adjusted for actual scheme experience through to 31 August 2025. The IAS 19 (revised) calculations have been calculated by an independent qualified actuary. The major assumptions used by the actuary were:

**Notes to the Financial Statements
For the year ended 31 August 2025**

24. Retirement benefit obligations (continued)

	31 August 2025	31 August 2024
Discount rate	5.90%	5.05%
Rate of increase in salaries	1.00%	1.00%
Inflation assumption RPI	2.70%	2.85%
Limited Price Indexation pensions increase	2.30%	2.45%

The mortality table adopted was 116.5%/119% of S3PFA CMI_2021 (2024: 116.5%/119% S2PA CMI_2021) with an allowance for future improvements online with the CMI models, with a long-term trend rate of 1% pa. This assumption has been set based on the results of an analysis of members post codes and represents the Directors' best estimate of the mortality of the Scheme's membership.

The weighted average life expectancy for mortality tables used to determine benefit obligations at the year end were:

	31 August 2025		31 August 2024	
	Male	Female	Male	Female
Member age 65 (current life expectancy)	85.2	87.7	85.2	87.6
Member age 45 (current life expectancy)	86.2	88.8	86.1	88.8

Guaranteed Minimum Pension Equalisation

On 26 October 2018, the High Court handed down a judgment in relation to the defined benefit pension schemes of Lloyds Banking Group. A consequence of this judgment is that all affected defined benefit pension schemes are now required to equalise Guaranteed Minimum Pensions (GMPs) between men and women.

The actual GMP equalisation will not be formally undertaken for some time, however the Scheme actuary has estimated that scheme liabilities will increase by 1.0%. This estimate is based on a comparison of the GMP benefits accrued by the opposite sex between 17 May 1990 and 6 April 1997. As at 31 August 2025, where it was identified that members received lower benefits than that of the opposite sex, the benefits were uplifted on an accumulation basis (with interest applied).

The following amounts at the balance sheet date were measured in accordance with the requirements of IAS 19R:

	31 August 2025	31 August 2024
	£'000	£'000
Market value of assets	97,763	117,265
Present value of scheme liabilities	(170,842)	(194,381)
Remeasurement benefit obligations	(73,079)	(77,116)

**Notes to the Financial Statements
For the year ended 31 August 2025**

24. Retirement benefit obligations (continued)

The assets in the Scheme (excluding members' AVC funds) at 31 August 2025 and 31 August 2024 were:

	31 August 2025	31 August 2024
	£'000	£'000
Cash	4,059	2,128
Insight LDI Funds	-	48,922
M&G Sustainable Total Return Credit Fund	7,240	-
LGIM Segregated LDI	33,774	-
L&G Short-Dated Corporate Bond Index Fund	12,049	-
Cohen & Steers Diversified Real Assets Fund	-	3,407
BNYM Real Return Fund	9,847	14,081
Pyrford Global Return (Sterling) Fund	-	15,135
Ruffer Absolute Return Fund	10,873	6,563
Man AHL Target Risk Fund	9,040	14,259
Aberdeen Standard Global Private Markets Fund	10,881	12,770
Total	97,763	117,265

Scheme investments are held in targeted return funds, aimed at producing an acceptable return for a level of risk lower than that of a traditional investment strategy whilst being able to meet the benefit payments due to scheme members. Pension plan assets are pooled investment vehicles which are not quoted in an active marketplace.

Reconciliation of present value of scheme liabilities

	31 August 2025	31 August 2024
	£'000	£'000
At beginning of year	194,381	194,169
Current service cost	669	692
Interest cost	9,492	10,291
Contributions by scheme participants	352	455
Benefits paid	(13,393)	(11,306)
Re-measurement (gain)/loss	(20,659)	80
At end of year	170,842	194,381

**Notes to the Financial Statements
For the year ended 31 August 2025**

24. Retirement benefit obligations (continued)

Reconciliation of present value of scheme assets

	31 August 2025 £'000	31 August 2024 £'000
At beginning of year	117,265	116,335
Interest income	5,739	6,161
Return on assets less interest income	(17,883)	1,427
Benefits paid	(13,393)	(11,306)
Contributions paid by employer	5,683	4,193
Contributions by scheme participants	352	455
At end of year	97,763	117,265

Amounts recognised in the profit or loss in respect of the defined benefit scheme are as follows:

	31 August 2025 £'000	31 August 2024 £'000
Current service cost and expenses	669	692
Pension cost charged to operating profit	669	692
Interest cost on benefit obligation	3,753	4,130
Net benefit expense	4,422	4,822

Gains and losses arising from the re-measurement of the net defined benefit liability have been reported in the statement of comprehensive income as follows:

	31 August 2025 £'000	31 August 2024 £'000
Re-measurement (loss)/gain on plan assets	(17,883)	1,427
Re-measurement gain/(loss) arising from changes in financial assumptions	22,329	(2,698)
Re-measurement gain arising from changes in demographic assumptions	-	212
Re-measurement effect from experience adjustments	(1,670)	2,406
Re-measurement gain	2,776	1,347

**Notes to the Financial Statements
For the year ended 31 August 2025**

24. Retirement benefit obligations (continued)

Sensitivity analysis of scheme liabilities

The sensitivity of the present value of scheme liabilities to changes in the principal assumptions used is set out below:

	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/ decrease by 0.25%	Decrease/ increase by 3.0%
Rate of inflation	Increase/ decrease by 0.25%	Decrease/ increase by 2.5%
Mortality	Increase by 0.25%	Increase by 0.6%

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

The Scheme assets do not include any of Burton's Foods Limited's own financial instruments, or any property occupied by the Group.

During the year, the Group paid deficit contributions of £5.4m (2024: £3.8m) and provided ongoing funding of £0.1m (2024: £0.1m) (including PPF levy).

As at the end of the year the Group had outstanding contributions to the defined benefit scheme of £0.1m (2024: £0.1m) which are included within accruals.

Future contributions

Under the revised schedule of contributions agreed in June 2024, the company has committed pay deficit contributions £3.0m increasing every year, reaching £13.3m in 2030. The expected service cost for 2025 is £1m.

Defined contribution pension schemes

The company also contributes to a number of defined contribution pension schemes on behalf of its employees and Directors. The schemes are open to all permanent employees. Total employer contributions to defined contribution schemes were £6.8m (2024: £8.1m).

**Notes to the Financial Statements
For the year ended 31 August 2025**

25. Commitments

The Group had capital commitments for property, plant and equipment authorised and contracted but not provided for as at 31 August 2025 of £1.9m (2024: £1.7m). The Group is committed to forward contracts on commodity purchases. At 31 August 2025 this amounted to a contracted value of £226.0m (2024: £263.0m).

The Group also entered in guarantee facility of £0.05m, credit card facility of £0.15m and BACS facility of £34.3m.

26. Related party transactions

During the year interest of £6.1m (2024, £5.1m) was accrued but not paid on the intercompany loans due to the Group's immediate parent.

27. Ultimate controlling party

The Group's immediate and ultimate parent undertaking and ultimate controlling party is CTH Invest SA with a registered office of Chaussée de La Hulpe 187 1170, Brussels, Belgium. The ultimate parent undertaking is 3F's Holding S.A with a registered office of 16 Route de Treves, Senningerberg, Luxembourg. The smallest and largest group of which these financial statements are consolidated is headed by CTH Invest SA.

The ultimate controlling party is Mr Giovanni Ferrero.

Fox's Burton's Company Group Limited

**Company Statement of Financial Position
As at 31 August 2025**

	Note	31 August 2025 £'000	31 August 2024 £'000
Fixed assets			
Investments	3	<u>368,973</u>	368,973
Net current assets		-	-
Creditors: amounts falling due after more than one year	4	(31)	(29)
Net assets		<u>368,942</u>	368,944
Equity			
Called up share capital	5	148,042	148,042
Share premium account		266,231	266,231
Accumulated losses		<u>(45,331)</u>	(45,329)
Total equity		<u>368,942</u>	368,944

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company statement of comprehensive income. The Company's loss for the year was £2,000 (2024: loss of £9,000).

The financial statements on pages 78 to 85 were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:
Leon Pacini
927FC6715D7E46E...
L Pacini
Director

Firmato da:
Guido Giannotta
5FA61145942E40A...
G Giannotta
Director

Registered number: 08772236

Fox's Burton's Company Group Limited

**Company Statement of Changes in Equity
For the year ended 31 August 2025**

	Share capital £'000	Share premium £'000	Accumulated losses £'000	Total equity £'000
At 27 August 2023	148,042	266,231	(45,320)	368,953
Loss for the year	-	-	(9)	(9)
Total comprehensive expense for the year	-	-	(9)	(9)
At 31 August 2024	148,042	266,231	(45,329)	368,944
Loss for the year	-	-	(2)	(2)
Total comprehensive expense for the year	-	-	(2)	(2)
At 31 August 2025	148,042	266,231	(45,331)	368,942

Notes to the Company Financial Statements For the year ended 31 August 2025

1. Material accounting policies

General information

Fox's Burton's Company Group Limited is a private limited company limited by shares and is incorporated in the United Kingdom, registered in England and Wales and domiciled in the UK. The address of its registered office is Charter Court 74-78 Victoria Street, St Albans, Hertfordshire, AL1 3XH.

The principal activity of Fox's Burton's Company Group Limited (the "Company") is an intermediate holding company.

Summary of material accounting policies

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

The financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101).

The financial statements have been prepared on a historical cost basis and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The financial statements are presented in Sterling and all values are rounded to the nearest thousand (£'000), except when otherwise indicated.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- IFRS 7, "Financial Instruments: Disclosures"
- Paragraphs 91 to 99 of IFRS 13, "Fair value measurement" (disclosure of valuation techniques and inputs used for fair value measurement of assets or liabilities),
- Paragraph 38 of IAS 1, "presentation of financial statements" comparative information in respect of:
 - i. Paragraph 79(a)(iv) of IAS 1;
 - ii. Paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the year)
- The following paragraphs of IAS 1, "Presentation of financial statements";
 - i. 10(d) (statement of cash flows)
 - ii. 10(f) (a statement of financial position as at the beginning of the preceding year when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - iii. 16 (statement of compliance with all IFRS),
 - iv. 38A (requirement for minimum of two primary statements, including cash flow statements),
 - v. 38B-D (additional comparative information),
 - vi. 40A-D (requirement for a third statement of financial position),
 - vii. 111 (cash flow statement information), and
 - viii. 134-136 (capital management disclosures).
- IAS 7, "Statement of cash flows".

Notes to the Company Financial Statements For the year ended 31 August 2025

1. Material accounting policies (continued)

- Paragraph 30 and 31 of IAS 8 "Accounting policies, changes in accounting estimates and errors" (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24, "Related party disclosures" (key management compensation);
- The requirements of IAS 24, "Related party disclosures" to disclose related party transactions entered into between two or more members of a Group.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within the accounting policy section.

New standards, amendments and interpretations

New and amended standards adopted by the Group

The Group has not applied any new or amended standards.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 2024 or 31 August 2025 reporting years and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting years an on foreseeable future transactions.

Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate as the company continues to have a strong balance sheet with and net assets of £368,942k (2024: £368,944k).

The wider Group prepares detailed forecasts and cash flows, including those of the Company, on a rolling 12-month basis, with higher level forecasts prepared for the next 18 months. In addition, it assesses the risks and opportunities associated with the underlying assumptions behind the forecasts. The Group's available banking facilities, together with additional support made available to it by its principal shareholder, mean that the Directors believe it is reasonable to assume that the Group will continue to be a going concern.

Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities and is measured using the tax rates and tax laws that are enacted or substantively enacted, at the reporting date. Current income tax is based on taxable profits for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years (or never).

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with

Notes to the Company Financial Statements**For the year ended 31 August 2025****1. Material accounting policies (continued)**

respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. However, deferred tax is not recognised when the deferred tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. It is recognised in the income statement except when it relates to items recorded directly in equity.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are recorded at cost, which is the fair value of any consideration paid. Investment are tested annually for impairment and carried at cost less accumulated impairment losses. Where an impairment is identified, it is charged to the income statement.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new equity are shown in equity as a deduction, net of taxation, from the proceeds.

Share premium

Share premium represents the difference between the nominal value of shares issued and the fair value of consideration received. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Financial instruments

Borrowings are initially recognised at fair value, net of transaction costs. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the income statement. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least one year after the balance sheet date.

Critical judgements and estimates in applying the accounting policies

Estimates and judgements are continually evaluated and are based on historic experience and other factors including expectations of future events that are believed to be reasonable under the

circumstances.

**Notes to the Company Financial Statements
For the year ended 31 August 2025**

1. Material accounting policies (continued)

The company makes estimates and assumptions concerning the future. The resulting accounting estimates, will, by definition seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are considered to be:

Impairment of investments

When an impairment indicator is identified, the recoverable amount of the investment is assessed as the higher of value in use less or fair value less cost to sell. Judgement is applied in both methodologies, including the future cash flows which are expected to be generated from the underlying investments, discount rate, long term growth rate, the selection of relevant market multiples, determining the comparability of observable transactions, and estimating expected disposal costs.

Further disclosures in respect of the impairment of investments are provided in note 3.

2. Remuneration of Directors and auditors

Details of Directors' remuneration are shown in note 6 to the Group financial statements. Details of auditors' remuneration are shown in note 4 of the Group financial statements. The Company has no employees.

3. Investments

	Investments in subsidiary company £'000
Cost	
At 1 September 2024 and 31 August 2025	<u>414,273</u>
Provision for impairment	
At 1 September 2024 and 31 August 2025	<u>(45,300)</u>
Net book value	
At 31 August 2025 and 31 August 2024	<u><u>368,973</u></u>

The company holds the following principal subsidiaries:

Company name	Nature of business	Percentage shareholding	Country of incorporation
Fox's Burton's Company (FBC) Holdings UK Limited	Investment company	100% direct	England and Wales
Fox's Burton's Companies (FBC) UK Limited	Biscuit manufacture and sale	100% indirect	England and Wales
Paterson Arran Limited	Dormant	100% indirect	Scotland
Fox's Biscuits Limited	Dormant	100% indirect	England and Wales
Burton's Gold Medal Biscuits Limited	Dormant	100% indirect	England and Wales
Burton's Biscuits Limited	Dormant	100% indirect	England and Wales

**Notes to the Company Financial Statements
For the year ended 31 August 2025**

3. Investments (continued)

The registered office for all United Kingdom subsidiaries is Charter Court 74 – 78 Victoria Street, St Albans, Hertfordshire, AL1 3XH, with the exception of Fox's Biscuits Limited which is Fieldfisher LLP, Riverbank House, 2 Swan Lane, London, EC4R 3TT.

An impairment review has been performed to assess the recoverability of the investment held as at 31 August 2025. A value in use assessment was performed, using the same model as for the Group's annual impairment test performed for goodwill and indefinite lived intangible assets.

- 2026-2030: 5-year business plan agreed by the Company's Directors
- Perpetuity period: 2030 free cash flow of £44m extrapolated using a perpetual growth rate of 1.1% (2024: 1%), which is based on the UK Office of Budget Responsibility's forecast for UK growth from 2025 onwards.

The key assumptions contained within the Group's 2026 – 2030 business plan are as follows:

- Sales growth rates: Growth rates for the majority of the Company's portfolio are based on a combination of recent sales trends and the estimated future growth rates between 3% and 5%. The annualisation of new business won during 2025 as well as the recovery of inflation from key retailers is a key driver of this growth. Growth rates for recent fast-growing products launched were estimated based on initial rates of sale seen and the historical performance of similar launches undertaken by the Group.
- Cost base: Extrapolated based on historical costs and sales growth.
- Capital expenditure: is based on historical levels of spend required to properly maintain the Group's property plant and equipment as well as any committed capital investment required to support the Group's growth agenda.

A pre-tax WACC of 10.67% with the various components being updated for the current economic environment, including revised systematic beta information from several comparable food manufacturing companies and updated rates of return on long-term government bonds.

after the deduction of net debt to the discounted cash flows, the value in use model suggests a potential impairment of £31m, which is eroded if the LTGR is increased from 1.1% to 2%, with headroom of £34m.

Given the impact of net debt on the value in use cash flows, the recoverable amount of the investment was also considered on a fair value less costs to sell (FVLCTS) basis. Fair value was estimated using recent market data for comparable transactions and valuation multiples observable in the sector. Estimated costs to sell reflect expected legal and transaction fees.

The Directors have concluded that no impairment as at 31 August 2025 on the basis that EBITDA forecasts are achieved and the positioning of the Group in the market remains strong, given that the Group continues to outperform the market.

**Notes to the Company Financial Statements
For the year ended 31 August 2025**

4. Creditors: amounts falling due after more than one year

	31 August 2025 £'000	31 August 2024 £'000
Loan from Group affiliate	31	29
	31	29

Interest accrues on the principal amount at a rate of UK Base rates + 2.5% per annum. The accrued interest is capitalised and added to the principal balance at each anniversary date. During the year £2k of interest was capitalised. At the year end £1k of interest was accrued.

There are no material differences between the book values and fair values of the loan notes. There is no sensitivity to changes in interest rates as the loan notes are subject to a fixed rate of interest. The directors do not expect the loan to be repaid within the next 12 months.

5. Called up share capital

Details of movements in share capital are set out in note 21 to the Group financial statements.

6. Related party transactions

The Company has taken advantage of the exemption included in IAS 24 'Related Party Disclosures' not to disclose details of transactions with Group undertakings, on the grounds that it is the parent company of a Group whose financial statements are publicly available.

7. Contingent liabilities

The Company had no contingent liabilities as at 31 August 2025 or as at 31 August 2024.

8. Post balance date events

There are no post balance date events for the Company that require disclosure.

9. Ultimate parent company

The company's immediate parent undertaking is CTH Invest SA with a registered office of Chaussée de La Hulpe 187 1170, Brussels, Belgium. The ultimate parent undertaking is 3F's Holding S.A with a registered office of 16 Route de Treves, Senningerberg, Luxembourg. The smallest and largest group of which these financial statements are consolidated is headed by CTH Invest SA.

The ultimate controlling party is Mr Giovanni Ferrero.