Princes Limited

Annual Report and Financial Statements

Year Ended 31 March 2024

Registered No: 02328824

Registered No: 02328824

Contents

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Company information

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S Nakaniwa
K Suematsu
A Takada

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T Okura (Resigned 1 March 2024)

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Registered No: 02328824

Strategic report

Principal activity and review of the business

The principal activities of the group, and company, during the year have been the manufacture, importation and distribution of food and drink products to the grocery trade.

The financial statements have been prepared in accordance with United Kingdom adopted international accounting standards.

The group revenue for the year ended 31 March 2024 was £1,708,828,000 (2023: £1,744,803,000). The decrease was due to a decrease in volumes sold offset by price increases to reflect inflationary cost increases.

The group profit for the year ended 31 March 2024, after taxation and minority interests, amounted to £4,007,000 (2023: loss of £42,688,000). The increase is because of the impact of an impairment charge recognised of £57,745,000 in the prior period offset by an increase in finance costs of £14,702,000.

The group's profit before tax and impairment charges, for the year ended 31 March 2024, amounted to £6,139,000 (2023: profit of £7,095,000). The decrease is as a result of increases in administrative expenses excluding impairment, decrease in share of results from associates and joint ventures, increase in finance costs offset by higher gross margin achieved. Refer to note 4 for calculation for the group's profit before tax and impairment charges.

An analysis of the group revenue is included in the key performance indicators which are included in the strategic report on page 5.

The net assets for the group as at 31 March 2024 were £277,476,000 (2023: £295,086,000), the movement relates to profit in the year, remeasurement of pensions surplus and gain on hedging. Net current liabilities as at 31 March 2024 decreased to £8,822,000 (2023: £16,169,000) mainly due to decrease in inventory by £58,308,000 offset by decrease in trade and other payables of £12,048,000 and short term borrowings of £56,391,000. Net debt decreased to £554,954,000 (2023: £624,187,000) due to decreased borrowings as a result of increase in cash generated from operations. The movement in the pension surplus £26,411,000 (2023: £25,666,000 actuarial gain) relates to the business entering into a buy in scheme with Aviva, which took place on 8 February 2024.

The average headcount for the group, excluding temporary sub-contracted agency employees, for the year ended 31 March 2024 was 6,283 (2023: 6,309).

One government grant was received during the year. The Italian government provided a grant to aid increase in energy costs of £172,000 (2023: £4,191,000 energy grant). No capital grant was received in the year (2023: £2,000,000 capital grant).

Change in ownership

Following the year end, on 27 May 2024, Princes Limited's owner, Mitsubishi Corporation, reached the decision, in principle, to sell the entire Princes Group to Newlat Food S.p.A. The transaction is due to complete by the end of July 2024.

Future developments

The ongoing impacts of global events such as the cost of living crisis and the conflict in Ukraine have been severe and far reaching. However, as our industry and Group responds and adapts to change, we are also transforming our business to build a more resilient future and continuing to play an important role in delivering affordable, nutritious food and drink to hard-working families.

From continued investment in the development of our brands, through to advancing our social sustainability approaches and progressing the Group's inclusion and diversity strategy, Princes is constantly evolving to meet the changing needs of our customers and consumers.

While the market outlook remains uncertain, we are well-positioned for growth and looking forward to another productive year ahead, as Princes continues to proudly offer great tasting choices for everyone, without costing the earth.

Strategic report (continued)

Going concern

Having made detailed enquiries the directors are of the opinion that the group has sufficient resources to continue in operational existence for at least the 12 months from the date of signing. The group remained profitable in the year with profit from continuing operations of £7,549,000, with a net asset position of £277,476,000 and significantly improved operating cash flows. This profitability and cash generation from day-to-day operations is expected to continue to improve into the future. See future developments in Strategic Report for further details.

On 27th May 2024, Mitsubishi Corporation confirmed its intention to sell 100% of the Princes Group to Newlat Food S.p.A (Newlat). Newlat is an international agro-food group with a strong heritage, producing and distributing dairy, baby food, pasta, bakery, gluten free, instant hot snacks, and other specialty food products mainly under its own brands as well as private label. Newlat has operations in four countries, namely Italy, U.K., Germany and France, through its subsidiaries Centrale del Latte d'Italia, Symington's, Newlat GmbH and EM Foods. Newlat Food S.p.A and its subsidiary Centrale del Latte d'Italia are both listed on the Milan Stock Exchange.

The Princes directors have been informed that the SPA signed on 27th May 2024 (the "SPA") includes an obligation on Newlat to procure repayment of all existing third-party debt of Princes on Completion (except where it is agreed with the relevant lenders that the debt will remain in place after closing). The Princes directors are also aware that the SPA contemplates the establishment by Newlat Foods, with effect from Completion, of new lines of credit and other facilities and services to replace and/or supplement the existing financing arrangements of the Princes Group.

The transaction is subject to certain regulatory requirements, including consultation with our employee consultation groups and customary regulator approvals. Therefore, Mitsubishi Corporation remain the owners of the Princes Group until all regulatory requirements and consultations are completed. Whilst the directors consider that the company is a going concern, should there be a change of ownership within the next 12 months, the intentions of any future management would be uncertain, including the financial support the company would receive. This represents a material uncertainty which may cast significant doubt about the Group and company's ability to continue as a going concern.

However, as a result of the net current liability position of £8,822,000 and the funding structure of the group, Mitsubishi Corporation have issued a letter of support for the group to provide financial support as far as Mitsubishi Corporation is the majority shareholder of Princes Ltd. Borrowings from a subsidiary of Princes ultimate parent, Mitsubishi Corporation which makes up 89% of the total group's borrowings have been guaranteed in the letter of support. The directors have assessed the ability of Mitsubishi Corporation to support the group and have concluded they have the ability to do so whilst the majority shareholder of Princes Ltd. As a result of the above, the directors have concluded it is appropriate to continue to adopt the going concern basis in preparation of the financial statements.

Principal risks and uncertainties

Russia-Ukraine
The group directly and indirectly source a number of raw materials from Ukraine. There are several raw materials that we have historically allowed the flexibility of the country of origin to include Russia or Belarus however both these countries have been removed so that we do not source from them. We remain in constant dialogue with suppliers and will advise our customers of impacts to supply as soon as they become clear. Princes do not expect a material impact on profitability as a result of this.

Climate change
All companies have a responsibility to minimise the impact their operations have on the environment locally, nationally and globally.

Princes takes that responsibility very seriously, and place continuous improvement at the heart of our operations. We constantly review our production and sourcing methods, revise targets and move our commitment forwards – this is both a moral and commercial imperative for our business. For further details refer to: https://www.princesgroup.com/csr/climate-change-environment/

Strategic report (continued)

Principal risks and uncertainties (continued)

Treasury policies
The objective of the treasury team is to manage the group's financial risk.

The group finances its activities with a combination of bank borrowings, finance leases, loans from group undertakings and cash. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the group's operating activities. The group also enters derivative transactions, principally forward currency contracts to manage the currency risks arising from the group's operations. The group does not speculatively trade in financial instruments.

Foreign exchange
The group has invested in operations outside of the United Kingdom and also buys and sells goods and services denominated in currencies other than sterling. As a result, the value of the group's non-sterling revenues, purchases, financial assets and liabilities and cash flows can be affected by movements in exchange rates in general and in the US Dollar and Euro rates in particular. The group's transactional currency exposure arises from sales or purchases in currencies other than its functional currency. The group treasury policy requires its operating units to use forward currency contracts to minimise the currency exposures. Forward currency contracts must be in the same currency as the hedged item. Hedging arrangements are discussed further in note 35.

Macro-economic environment
The UK market is going through a challenging period as cost of living pressures increase due to macro-economic uncertainty and significant price inflation. We had seen significant inflationary pressures across our cost base in the prior period which has eased in the current period, and we continue to work collaboratively with our customers to recover inflation.

The Group's external financial risks include interest rate risk on borrowings and changes in exchange rates. The directors monitor financial results and projections through weekly, monthly and quarterly reporting and forecasting. The treasury team meet regularly with the banks to provide updates on the current and forecast business plans and performance.

Supply chain
The loss and/or interruption from a major supplier could impact the Group through disruption in factory operations. External factors such as climate change and geo-politics will also expose suppliers to acute and chronic risks which could drive inflation and impact availability and quality, as well as recovery of inflation from our customers. Our well-established supply chain, scale and agile approach will enable us to adapt to changes and help mitigate disruption to our business and for our customers.

Strategic report (continued)

Key performance indicators

The group uses several measures as indicators of the performance of the group and each of its divisions as follows:

	2024	*2023*
Revenue (£'000)	1,708,828	1,744,803
Cost of sales (£'000)	1,412,225	1,477,697
Cost of sales as a percentage of revenue (%)	82.6	84.7
Pre-tax profit/(loss) (£'000)	6,139	(50,650)
Add back:		
Impairment charges (Note 4)	-	57,745
Pre tax profit, excluding impairment charges (£'000)	6,139	7,095
Top 10 customer concentration (%)	65.8	61.9
Number of employees		
Employees (average)	6,283	6,309
Temporary sub-contracted agency employees (average)	495	425
Total employees (average)	6,778	6,734
Revenue generated per employee (average) (£'000)	252	259

Financial performance

The group's revenue has decreased from £1,744,803,000 for the year ended 31 March 2023 to £1,708,828,000 for the year ended 31 March 2024 due to a decrease in volumes sold offset by price increases to reflect inflationary cost increases.

Costs of sales has decreased in line with revenue from £1,477,697,000 for the year ended 31 March 2023 to £1,412,225,000 for the year ended 31 March 2024. Cost of sales as a percentage of revenue has decreased from 84.7% for the year ended 31 March 2023 to 82.6% for the year ended 31 March 2024 mainly due to improved gross margins.

The group's profit before tax and impairment charges has decreased in the current year from £7,095,000 to £6,139,000. The decrease is as a result of increases in administrative expenses excluding impairment, decrease in share of results from associates and joint ventures, increase in finance costs offset by higher gross margin achieved.

Top 10 customer concentration

The group's largest 10 customers have increased compared to the prior year and accounted for 65.8% of group revenue for the year ended 31 March 2024, compared to 61.9% for the year ended 31 March 2023 due to additional contracts secured with our top customers.

Number of employees

For the year ended 31 March 2024, the group had an average headcount of 6,778 across its various sites, generating revenue per employee of £252,000. This is a decrease from £259,000 per employee for the year ended 31 March 2023 which had an average headcount of 6,734. Increase in headcount is due to an increase in temporary sub-contracted agency employees in Wisbech for a short period in the year during the transition to 24/7 operations.

Strategic report (continued)

Section 172 Statement

In accordance with s172 of the Companies Act 2006, included in this section of the strategic report are representations of how the Directors have had regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006 when performing their duties.

The Directors are fully aware of their responsibilities to promote the success of the company in accordance with s172 and have acted in accordance with these responsibilities during the year.

Employees

The Directors consider the interests of the company's employees to be essential as part of our vision to make Princes Limited an 'Employer of Choice'.

The Directors maintain the provision of information to and consultation with employees by means of regular and ad hoc meetings of management and employees. The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group through regular townhall meetings.

Princes has made significant strides against its Our Princes Our People strategy, with a strong focus on learning and development, health and wellbeing, and diversity and inclusion. Key steps have included the launch of Princes' Inclusion & Diversity 2.0 strategy, the launch of a new set of Values (Proudly Princes, Trusted & Empowered, Bravely Exploring, Customer Obsessed and Stronger Together), a re-setting of our approach to Health & Wellbeing and the roll-out of Perkbox, a global benefits and rewards platform.

The Environment & Corporate Social Responsibility

Corporate Social Responsibility (CSR) is fundamental to our business, never seen as a project or undertaken for the sake of compliance. Our efforts are focussed on three pillars of CSR:

(i) Climate change & the environment
(ii) Fair partner & good employer
(iii) Health & wellbeing

Cross functional work streams for each pillar monitor our progress and set new targets while we have a number of specific working groups encompassing seafood sustainability, human rights, packaging, energy and colleague health and safety.

Princes have a long-standing, proactive approach on human rights issues in Italian agriculture, working for many years to tackle illegal labour and working hard to ensure that growers in our supply chain receive a fair and profitable price from us for their tomatoes. By working in collaboration with both the Department of Agricultural Sciences at the University of Foggia and Italy's leading agricultural union, Coldiretti, Princes is able to commit to paying prices that reflect the current cost of production and deliver a profitable return to our growers ahead of the harvest season. To minimise the risk of unethical practices, Princes Group's Italian tomato processing facility, Princes Industrie Alimentari (PIA), conducts early contracting every year – ensuring farmers can invest in resources, while implementing best practices to enhance both social and environmental sustainability during harvest season.

The effective conservation and management of tropical tuna species is key to the long-term sustainability of stock and the success of our seafood business. From the end of 2021, all tuna in the Princes Group brands met the criteria of being 'Responsibly Sourced', following the Sustainable Seafood Coalition code, meaning Marine Stewardship Council (MSC) certified or sourced from i) pole and line fisheries, ii) FAD free fisheries or iii) Fisheries engaged in time bound Fishery Improvement Projects with a clear goal of attaining MSC certification. In 2022, we announced a plan to progress from 'Responsibly Sourced' to independently "certified as sustainable" with a target that all branded tuna in our Group would become MSC certified. The Princes brand in the Netherlands has already reached this milestone and our Vier Diamanten brand in Austria is making great progress towards this goal. Our branded UK tuna will reach 100% MSC certified by the end of 2025.

Strategic report (continued)

Section 172 Statement (continued)

The Environment & Corporate Social Responsibility (continued)

In order to meet this, we have during the year engaged with fisheries and supply sources to increase MSC certified in our portfolio; a number of products have been converted during the year to MSC with suppliers and will hit UK shelves in the summer of 2024 including our 3x80g range, chunks 145g and 4 x145g packs from third party sources. With additional Indian Ocean sources of tuna being certified we have also prepared for the initial production of 4x145g tuna at our Princes Tuna Mauritius site in the summer of 2024.

Princes has a global sourcing strategy for tuna which comes from sources such as the Philippines, Ecuador, West Africa, and the Indian Ocean, where Princes Tuna Mauritius (PTM) operates two tuna processing sites. The Indian Ocean is therefore critical for PTM and the management of the three tropical tuna species by the Indian Ocean Tuna Commission (IOTC) is a significant concern. While yellowfin tuna is not a key specie for Princes – our markets prefer skipjack – it is often caught alongside skipjack tuna and is at present ‘red rated’ due to being overfished with overfishing continuing. We were amongst the first ones to use our market voice and take a voluntary cut of yellowfin in our supply. We continuously advocate for a better management of all tuna species in the Indian Ocean via our membership of associations such as the International Seafood Sustainability Foundation (ISSF), the Global Tuna Alliance (GTA) and the Tuna Protection Alliance (TUPA) and call on the IOTC to implement a rigorous and equitable yellowfin rebuilding plan as a matter of urgency.

Furthermore, we have been partnered with FareShare since 2013, a charity leading the way in tackling hunger and food waste, to donate all food and drink that we produce at our UK sites that cannot be sold for whatever reason and is fit for human consumption.

Business relationships

The Directors hold in high regard the need to foster the company’s business relationships with suppliers, customers and others.

At Princes, we regularly engage with colleagues, suppliers, customers, neighbours, Non-Governmental Organisations, Policy makers and many others to build relationships, learn from each other, expand our scope and aim for the greater good. This is done through a range of communication methods and formal agreements such as the formation of strategic partnerships.

The reduction of single use non-recyclable plastic is a key desire for both our immediate customers and the end consumers of our products as people and companies alike are aware of the damage that these cause to the environment. This has led to changes in how consumers shop as well as retailers’ own goals being set to reduce single use plastics in the products they sell. We understand our responsibility toward a circular economy, ensuring that materials are reduced, reused where possible, and we work with our customers to establish reusable formats to support any appropriate closed loop initiatives. When we consider new packaging for a product, we will take the overall environmental lifecycle and supply chain impact of materials into account to make the best decision for our customers and consumers.

Our main packaging type is steel cans that are easily sorted and recycled, with one of the highest recycling rates of packaging in the UK and Europe. Our steel cans contain a minimum of 75% recycled content, demonstrating the true circularity of this material. We currently use a minimum of 30% recycled PET content in all our drinks and oils bottles, and our Napolina Olive Oil bottles are at 100% recycled content. During this year we have removed the multipack shrink-wrap around the Branston Beans and replaced this with cardboard. This accounts for an annual plastic reduction of around 80 tonnes. Where we’ve continued to use shrink-wrap this has been light-weighted to further reduce our packaging.

The impact of long-term decisions

The Directors consider the long-term consequences of all decisions made to ensure the continuing sustainability of the company and industry. This is depicted by the approval of large capital expenditure in manufacturing sites and commitment to corporate social responsibility ambitions.

Strategic report (continued)

Section 172 Statement (continued)

The impact of long-term decisions (continued)

With a firm focus on future proofing our operations and contributing to a sustainable future for British manufacturing, we successfully progressed and concluded several landmark development programmes throughout the year. These programmes have been completed across our Long Sutton, Cardiff and Erith manufacturing sites. This investment in our future has provided state-of-the-art equipment, better energy efficiency and increased capacity and capability.

Following the 2020 launch of our Innov8 strategy, we've evolved our approach to new product development with the support of a dedicated innovation team embedded across the business. This has enabled the introduction of exciting new products and entry into new categories through ranges such as our frozen Princes Street Food sub-brand. Princes has also entered the mixers category with a trio of blended juice drinks, Skinny Mixers, tapping into increased consumer demand for alcohol free alternatives.

In collaboration with specialist partner KICR Innovation ltd, a joint venture between London based award-winning Food Innovation Solutions ltd and MMR, a global Market Research agency, we are delivering fast-paced innovation focused and on brand creation, product and packaging design, commercialisation, and channel strategy. This advanced approach – which has involved integrating a dedicated team across the business, leveraging insights from a bespoke online community of 3,000 consumers and merging our Research and Insights team with the Innovation department – is accelerating our NPD process and providing support to our customers.

The board of Directors hold regular meetings at which key strategic decisions are discussed and approved.

Non-Financial and Sustainability Statement

Climate-Related Financial Disclosures (CFD)

Executive summary

Princes recognise that climate change is the single biggest sustainability challenge facing the world and one of the most pressing issues, both as a global crisis and as a business continuity risk. Our collective response over the next decade and beyond will determine the severity and impact of its effects.

We have reduced energy and emissions in our manufacturing estate since 2010 and in 2021 we committed to carbon neutral manufacturing at our own sites (scopes 1 and 2) by 2030 as part of our 'Green Goals' initiatives. In order to achieve this, we continue to make progress to assess the climate risks that could impact our business and have started the process to develop our delivery roadmap.

We recognise that Princes does not operate in isolation, that we have impacts on the environment and a responsibility to support reversing the climate emergency and supporting a move towards a low-carbon economy.

Working collaboratively to address climate-related risks is both a responsibility and an opportunity to which Princes remains committed to playing our part. In addition to mitigating our impact on climate, we also consider the risks that climate change has on our business. Acknowledging this, Princes is working towards establishing Science Based Targets on a 1.5-degree pathway to transition towards a Net Zero future, in line with the goals of the Paris Agreement, and the continued progress made at COP26 with the finalisation of the Glasgow Climate Pact. This includes in 2022 issuing our commitment letter to the Science Based Targets Initiative (SBTi).

This is our first report on such disclosures, and we expect that our approach to modelling scenarios, as well as our understanding of the varied and complex risks of climate change to our organisation and supply chain, will continue to evolve.

We are therefore committed to monitoring emerging risks and new data to include these in future assessments.

Strategic report (continued)

Non-Financial and Sustainability Statement (continued)

Climate-Related Financial Disclosures (continued)

Governance

Management of sustainability risks within our business and supply chains has historically been at a functional department level encompassing a range of relevant or impacted teams and reported to the relevant statutory and/or operating board member and the Chief Financial Officer (CFO) where there was commercial impact. In circumstances where this was considered to be potentially severe or impacting business continuity this would be communicated to the whole statutory board.

We also engage with our parent company, Mitsubishi Corporation, to share insights on country climate-related challenges and opportunities through annual sustainability workshops and other events.

In order to further develop and formalise this process, noting CFD guidance, during 2023-24 we established a cross-functional Working Group (WG) comprised of representatives from key functions in order to:

i) identify our key climate related physical and transitional risks and opportunities in this first year and to then,
ii) establish a new committee for the ongoing management of climate related matters and,
iii) provide ongoing communication to the board

Corporate Relations Director
Head of Sustainability
Group Legal Counsel
Group Internal Audit Controller
Group Finance Manager
Senior Financial Accountant

- ✓ Identify Physical & Transitional Risks.
- ✓ Establish new committee for 24-25.
- ✓ Share risk outputs with CFO & statutory board.

The WG met during 2023-24 at quarterly intervals and reported progress to the CFO and the climate risks identified, which were also shared with the wider statutory board. In addition to this climate risk/opportunity assessment shared with the statutory board, the WG, with approval of the CFO and statutory board, proposed establishing a more expansive Sustainability Risk Committee to take effect from 2024-25 financial year and take ownership of future climate financial risk assessments

Sustainability Risk Committee (SRC)

The new SRC will hold its inaugural meeting in Q1 2024-25 and meet quarterly.

The SRC and associated ESG Workstreams and subgroups will enhance our identification, understanding and mitigation of climate-related risks and opportunities, with the support of specialist independent consultants in this area.

The SRC from 24-25 will be comprised of:

- Chief Financial Officer (Chair)
- Finance Director
- Group Legal Counsel
- Chief Operations Officer
- Procurement Excellence Director
- Corporate Relations Director
- Head of Sustainability
- Chief People Officer
- Group Internal Audit Controller

Strategic report (continued)

Non-Financial and Sustainability Statement (continued)

Climate-Related Financial Disclosures (continued)

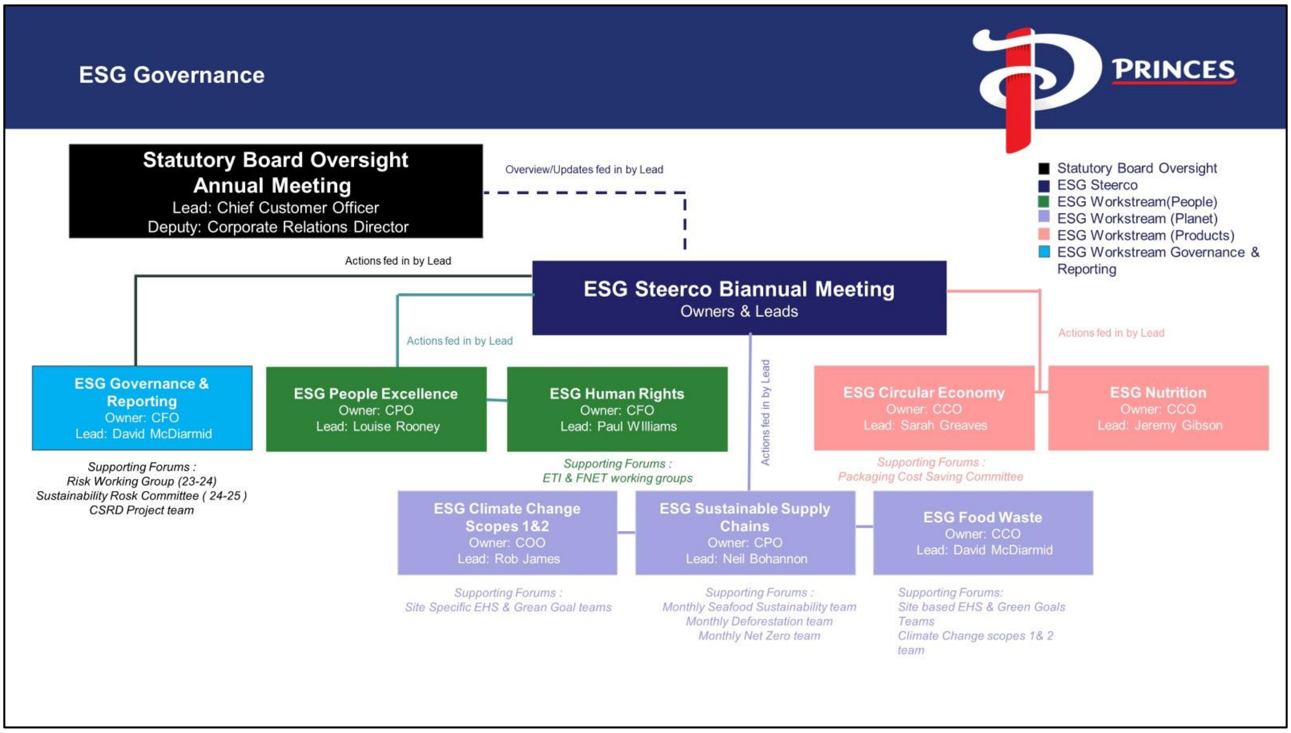
Sustainability Risk Committee (continued)

Within the SRC we will address physical and transitional risks under the lenses of three specific areas:

1) Climate change,
2) Biodiversity & nature
3) Human rights

The SRC will meet quarterly as a subsidiary of our ESG Governance & Reporting Workstream. All eight ESG workstreams meet on a quarterly basis, supported by issue or sector specific teams that convene on a monthly basis.

Our ESG steerco meets on a biannual basis and reports into the statutory board as per below.



As per above, the SRC via our ESG Governance & Reporting Workstream will report to our ESG Steerco and ultimately to the Statutory Board of Directors (while noting that our Chief Financial Officer leads the ESG Governance & Reporting Workstream so will already have visibility).

The ESG Steerco meets twice per annum and ultimately has ownership of managing climate change risks and opportunities including our future Net Zero commitment. This forum will debate and consider risks identified by the SRC and provide final guidance and recommendations to the Group Board.

The SRC – embedded into our ESG framework for 2024-25 - references future governance of sustainability and financial risks specifically with a climate lens. There are several areas where sustainability and climate related risks and their associated commercial impacts are routinely considered on an issue/sector basis, typically by sustainability, procurement, sales and finance teams. These will continue as they will continue to be identified by sector and issue experts but will be fed through to the SRC and ultimately to the board.

Strategic report (continued)

Non-Financial and Sustainability Statement (continued)

Climate-Related Financial Disclosures (continued)

Risk management

Historically, 'sustainability' risks have been included in our overall business risk framework as provided by the Corporate Relations team as the lead function on Group sustainability. Similarly, environmental or climate related risks to our owned operations (e.g. water shortages) were identified by our Operations teams and included in our overall business risk framework.

Our 2023-24 WG was tasked with our climate risk assessment and in addition to identify and appoint the body to manage this in future, which is our SRC as described in the Governance section above.

To assess Princes exposure to climate related risks and identify opportunities the 2023-24 WG used a scenario driven climate risk assessment based on two scenarios of 1) Low Carbon World (1.5 degrees) and 2) Hothouse World (3-4 degrees). This looked at the likelihood and impact of each risk and opportunity on our operations and supply chain with the output used to indicate our overall climate risk.

The 2023-24 WG communicated the climate risks and opportunities identified to the board and identified and recruited the body - the SRC - to assess known and emerging climate risks and opportunities for the year 2024-25 and ongoing.

In summary the SRC will continue with this initial work and its remit will be:

- Review principal risks of climate change and sustainability as part of the groups wider Enterprise Risk Management as well as reporting under future TCFD.
- Review scenarios used for risk assessment in line with best practice and climate science
- Ensure climate related risks are included in the group's viability assessment and impairment reviews
- Ensure financial reporting disclosures of these risks are fair and consider broader impacts across assets, liabilities and future profitability and financial performance.
- Continually review the climate risk process and make further recommendations on the remit and ways of working of the SRC

Pathways: Climate scenarios

Climate-related risks are generally divided into two main categories:

1. Risks related to the transition to a low-carbon economy, which may entail extensive policy, legal, technology and market changes. These are referred to as **transition** risks.
2. Risks related to the physical impacts of climate change, driven by extreme weather events, such as hurricanes and floods, as well as chronic longer-term shifts, such as rising average global temperatures and sea-levels. These changes can have broad impacts on operations and supply chains, distribution networks, customers and markets. These are commonly referred to as **physical** risks.

Transition and physical risks are often interlinked. For example, the impact of transition risks can lead to, and amplify, market risks by reducing our customers or suppliers operating income, as well as exposing Princes to reputational risks and/or litigation risks due to increased regulatory scrutiny or negative public perception. Likewise, physical risks can lead to operational risks on our manufacturing sites, supplier sites or on colleagues impacting the ability to deliver our transition initiatives and overarching sustainability strategy.

The SRC will use two climate scenarios identified by our 2023-24 working group for modelling our physical and transition risks - Low Carbon and Hothouse World.

Strategic report (continued)

Non-Financial and Sustainability Statement (continued)

Climate-Related Financial Disclosures (continued)

Risk management (continued)

Low carbon scenario (SSP 1 – RCP 2.6)

In this scenario, all current net zero pledges are achieved in full and there are extensive efforts to realise near-term emission reductions: advanced economies reach net zero emissions by 2050, China around 2060 and all other countries by 2070 at the latest. The scenario is consistent with limiting the global temperature rise to below 2°C. Regarding some level of net negative emissions after 2070, the temperature rise could be reduced to 1.5°C in 2100.

Hothouse scenario (breach of planetary boundaries) (SSP 5 – RCP 8.5)

This scenario is not aligned to any of the pledges laid out within the Paris Agreement and is one where countries are unable to meet the United Nations Sustainable Development Goals. There has essentially been global failure to act on climate change meaning emissions continue to grow at historical rates.

This scenario will have the most severe physical consequences for the planet. The temperature rise will exceed 4°C by 2100, leading to high loss of biodiversity and species extinction.

No specific climate related opportunities were identified by our 2023-24 Working Group and this will be for the SRC to consider as it takes over management. It should be noted that there are thematic opportunities we have considered e.g. longer commercial with customers via decarbonisation commitment, growth in specific sectors due to inherently positive climate related attributes. At present these are not issues we can tangibly note positive financial impact to our business, but we expect them to become clearer and quantifiable in the medium term.

Measuring & scenario modelling

In completing our risk assessment in 2023-24 we prioritised modelling of the following risks as these were felt to be the most material to our business and realistic in terms of occurrence:

- Future regulatory policy responses to address climate change that could lead to the imposition of carbon taxes by countries where we manufacture or source goods from third parties.
- Increasing levels of water stress that could lead to interruptions to supply of water to Princes and third-party supply sites.
- Increasing frequency and impact of extreme weather events that could cause disruption to Princes and third-party supplier sites.

Responding to risks

Response strategies will be further developed for the key risks identified across the business. We use this to define controls and monitor metrics, ensuring that the appropriate decisions on mitigating, transferring, accepting or controlling the climate-related risks are made.

Over the next financial year, our SRC will undertake further assessments to strengthen our understanding of the impact of our most material risks across the climate change scenarios.

Strategy

Our Group vision of ‘Proudly offering great tasting choices for everyone without costing the earth’ not only reflects the business we aspire to be, but the existing passion and commitment we aim to demonstrate as part of becoming a truly sustainable business.

We recognise that the food system has a substantial impact on the environment, being responsible for approximately 30% of greenhouse gas emissions and 60% of biodiversity loss globally.

Strategic report (continued)

Non-Financial and Sustainability Statement (continued)

Climate-Related Financial Disclosures (continued)

Risk management (continued)

Summary of risks

Our 2023-24 cross functional Working Group identified the following climate related Physical and Transitional risks as summarised in Table 1 below. Time horizons considered by the WG were short (1>5 years), medium (5 >10 years) and long (10>30 years) taking into account business strategy cycles, the length of financing arrangements, the profile of the climate-related risks and the nature of our business and operations.

Transitional risks

Theme	Risk	Time Horizon (estimated)	Impact on Princes Business	Princes' response
Market	Shifts in consumer preferences	5-10 years	Lower revenues due to not adapting our portfolio of products towards offering lower climate-impact or verifiably sustainable products.	Our wide-ranging existing portfolio of food, drinks and edible oils and sustainability targets on seafood, deforestation and packaging stands us in good stead. This will need to accelerate via the Net Zero journey in the removal of carbon from supply chains
	Increased cost of raw materials	1-5 years	Abrupt and unexpected shifts in energy costs. Increased expenditure on raw materials due to price fluctuations. Instability caused by transition climate risks in the supply chain.	Build capacity, knowledge and support within the supply chain on how to identify, measure, monitor and mitigate climate-related risks. Support suppliers with longer-term contracts and security of business to invest in longer-term solutions to better transition to new sources of raw material.
	Increased cost of capital	5-10 years	Increasingly difficult to access capital as a result of increased incorporation of climate change considerations within credit ratings.	We can mitigate the potential risk here by completing our SBT process through to validation and publication of targets to demonstrate our commitment and intent.
	Competitors may develop more quickly or provide better climate-friendly products.	1-5 years	Loss of revenue and EBITDA if imported from third party, potential wider impact if manufactured on site Operational Equipment Effectiveness and site G&A costs	We note that our strength of diversity can potentially be a weakness here as competitors focussed on a single category may be able to better focus on the carbon position of such raw materials while we must focus far more widely. Continued review is required therefore of our product portfolio to seek products and services which offer a lower climate impact and in addition an ongoing review of resources across existing functional teams to ensure we can cover all key areas within our portfolio.

Strategic report (continued)

Non-Financial and Sustainability Statement (continued)

Climate-Related Financial Disclosures (continued)

Risk management (continued)

Theme	Risk	Time Horizon (estimated)	Impact on Princes Business	Princes' response
Market	Substitution by customers of existing products with lower emission options	5-10 years	Reduced demand for products, lower revenues for some elements of our existing product range.	Our existing commitments such as certified MSC tuna and VCDF (Verified Deforestation and Conversion Free) raw materials gives us confidence that in key areas we have robust targets to provide consumer reassurance. Our Net Zero path will see initial understanding and then decarbonisation of key raw materials which will provide consumer reassurance. Conversely this issue also presents us with significant opportunity for growth in inherently low carbon areas such as pulses which would apply to our Napolina range of pulses, Baked Beans and also British peas
Policy & Legal	Enhanced emissions reporting obligations	1-5 years	Higher compliance costs and as such increased cost of products and services. Additional operating costs of required resources to meet disclosure, including potential product footprint eco- or carbon labelling.	Continually review resource requirements, data and systems to ensure we can deliver against customer and industry requirements.
	New legislation or regulation imposing taxes on specific products or sources leading to increased complexity or cost.	5-10 years	Core products attract additional taxes or core countries face new tariffs due to climate reasons	Continue to monitor legislation relating to climate change. Improve our knowledge of existing and emerging technologies relevant to supporting our business, and supply chain, decarbonise and prioritise areas identified as higher risk of such legislation (e.g. meat)
	Cost of Greenhouse Gas Emissions	10-30 years	Increased operating costs through future carbon pricing, including Emissions Trading Schemes and Carbon Border Tax	Delivery of Net Zero Science Based Targets is our primary and only current mitigation factor
	Litigation or regulatory sanction from not meeting climate-related promises we publish.	1-5 years	Reputational impact, financial penalty impacting on business performance.	As a strongly compliant organisation, we consider this to be low risk but note that should it occur, the impact would be high and also bring reputational issues. With ongoing rigorous attention to risk and our journey into Net Zero we are confident this risk here is extremely low

Strategic report (continued)

Non-Financial and Sustainability Statement (continued)

Climate-Related Financial Disclosures (continued)

Risk management (continued)

Theme	Risk	Time Horizon (estimated)	Impact on Princes Business	Princes' response
Technology	Financial impact of increasing energy costs and carbon pricing	5-10 years	Higher operational costs and expenditure to undertake 'business as usual and to realise Net Zero ambitions.	Our current 'Green Goals' carbon neutral commitment (which will evolve into formal SBTs for Scopes 1 & 2) includes investments in energy and emissions reduction, increase in renewable and self-sufficiency. Also noted as a potential opportunity to realise operational savings in the long term through better resource efficiency.

Physical risks

Theme	Risk	Time Horizon (estimated)	Detail	Princes' response
Physical risks to our operations	Increased operating costs through heating / cooling; increased use of stressed water resources; potential logistics and transport disruption	10-30 years	Temperature change or extreme of heat/cold requires additional costs to heat/cool; increase insurance costs in event of acute weather event and associated site damage and production disruption. Our Long Sutton site is in an area of existing water vulnerability and Foggia is an area subject to water stress due to existing typical annual temperatures	Delivery of our current carbon neutral targets and then future Scope 1 and 2 SBTs will be our key way of taking action however we recognise that even with delivery of these we can be subject to variables outside of our immediate control. Ongoing review of risks across our manufacturing sites remains key, investing in key projects to manage specific adaptations to heat related stress and water saving measures. Water tanks increasing storage capacity have been installed at Foggia site to mitigate this risk and enable production all year round.
Physical risks to our supply chains	There are multiple levels of risk within our global supply chain, summarised as reductions in agricultural yield from multiple potential causes (e.g. drought, extreme weather event, soil aridity, pest and parasites) and increasingly understanding the impacts of climate change on global seafood stocks.	10-30 years	Lower agricultural yields regardless of cause will drive increased prices and impact long term supply chain stability and security and potentially quality of ingredients available to us	This is not a new issue to Princes as we have experience of occasional instances of extreme weather affecting crops which in turn has had impacts on availability and costs. However, we fully understand that our new reality is that the occasional occurrences we have experienced is something we have to plan to become more regular. This future, plus the commitment to net zero means we need to re consider our future sourcing and ultimately the products in our range in the long term. This process is in early states but has started with the Group as we embed net zero behaviours. While a significant risk, this also brings opportunity in terms of better supplier relationships and longer-term relationships as we invest time, resources and potentially capital into supply chains we intend to work with suppliers to decarbonise.

Strategic report (continued)

Non-Financial and Sustainability Statement (continued)

Climate-Related Financial Disclosures (continued)

Risk management (continued)

The summary of risks covers the key thematic risks our 2023-24 WG identified applicable to multiple areas of our business and supply chains. Examples of some specific areas within these are summarised below.

Theme Risk type - risk Time horizon (estimated)	Impact on Princes Business	Princes' response
Policy & Legal Transitional - Extended Producer Responsibility Legislation 1-5 years	Fiscal obligation for EPR dependent on accurate and timely data	Ensure we have resource and data partners in place to be compliant with 31 May 2024 deadline. Ensure data is accurate (this will impact EPR fees)
Policy & Legal Transitional - EU Deforestation Regulations / Soy Manifesto Commitment 1-5 years	Inability to meet EU legislation has potential impact to result in Princes omission from retailer own label commercial tenders and inability export products to EU customers. The UKSM commitment is industry wide (retailers included) commitment to Conversion & Deforestation free soy by end 2025	Work remains ongoing to attain an end 2025 VCDF status in line with customers’ requests and engaged with UKSM Working Group to leverage pressure on the 5 key global soy traders that are the source for all UK food use of soy. Remains a risk for Princes at present risk is no different for Princes than any UK manufacturer or retailer as we all share the same sources.
Physical risks to our supply chains Physical - Indian Ocean Tuna - red rated skipjack 1-5 years	Red rated skipjack stock has potential to see UK and EU retailer boycotts of the Indian Ocean - significant impact on PTM operations	Scenario planning for red rated skipjack stock, incorporating operational impacts including mitigation measures for production and employee numbers, alternate sourcing options and customer response assessment was completed Summer 23 and presented to the SDSB. This was ultimately not required following confirmation of green rated status from the Indian Ocean Tuna Commission Scientific Commission in December 2023
Physical risks to our supply chains Physical - North East Atlantic Mackerel / Tuna 10-30 years	Increasing data showing impacts of climate change on migratory and spawning patters of seafood species including NEA Mackerel and Indian Ocean tuna	Both key species for Princes and in the last year data has begun to be shared across industry of the impacts of climate change on stock movements and spawning biomass in the Atlantic and Indian oceans. This has led to us making initial plans on alternate supply sources for mackerel while tuna remains a watching brief as Indian Ocean remains our sourcing priority due to PTM operations. Representation made to Mauritian, UK, EU Heads of Delegations ahead of Indian Ocean Tuna Commission meeting May 24 in order to call for more action by IOTC in existing stock protection (catch levels) and more data needed on climate change impacts to inform future decisions

While there are significant physical and transitional risks for Princes under both scenarios, we consider our business and our current and future strategy to be resilient under both a Low Carbon scenario where transition risks are typically greatest and Hothouse World scenario where physical risks are typically greatest.

Strategic report (continued)

Non-Financial and Sustainability Statement (continued)

Climate-Related Financial Disclosures (continued)

Risk management (continued)

Our work to reduce the environmental impact of our seven UK and four international manufacturing sites has been ongoing for many years.

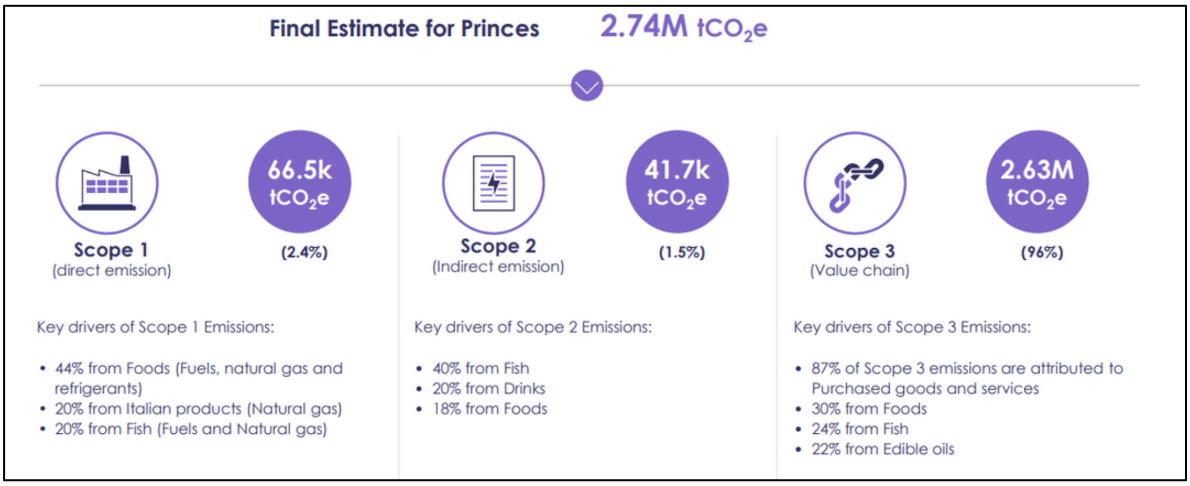
- Between 2014/15 and 2018/19 we reduced our absolute Scope 1&2 greenhouse gas emissions by 25%.
- Our baseline was then reset at 2018/19 in light of the restructuring of our manufacturing estate reflecting changes including our exit from the bottled water category.
- Since this 2018/19 baseline reset, we have further reduced emissions by a further 25% to 86,445 tonnes in the year ending March 2023.
- For the year ending March 24 our emissions were 85,791 tonnes.

At present we do not have an interim absolute target for Scope 1 or 2 emissions, but this is being addressed via Science Based Targets which are in development at the time of preparing this report.

Princes undertook an initial pilot project in 2022 to map out and understand the emissions of all key greenhouse gasses across the business as a whole and to understand the level of data required.

This was refined during 2023 with an appointed third party to calculate a total footprint for Princes of 2.74M tCO2e based on the calendar year 2022.

Our findings show that our scope 3 emissions represent 96% of our total group emissions at 2.63M tCO2e (see Fig 3). We will undertake Scope 3 measurement in an annual basis and bring into line with our financial reporting of March to April.



We have committed to the Science Based Targets Initiative our intent to set SBTs on a 1.5-degree pathway. We anticipate submitting these for verification by the SBTi in the 2024-25 financial year.

Our existing target for Scope 1 and 2 is for carbon neutrality by 2030 and this will be absorbed into our SBTs for short term targets. Once completed we will review our carbon neutral target and confirm in future reporting if we maintain it. While well intentioned at the time, we are aware of the limitations of ‘carbon neutral’ and are committed to the more robust SBTs and Net Zero path.

Strategic report (continued)

Non-Financial and Sustainability Statement (continued)

Climate-Related Financial Disclosures (continued)

Risk management (continued)

Scope 1 & 2 Progress

As stated above, in 2018/19 we reset our baseline for future measurement, following changes to our manufacturing portfolio and progress on these targets – referred to as our Green Goals. Refer to Metrics & Targets section.

With regard to Scope 1 and 2 emissions, while our current target is 'carbon neutral 2030' we have an active programme in place to reduce as much as possible before any offsets would be used. These include:

- Maximising energy efficiency in all of our sites – ongoing behavioural training
- Transitioning to 100% renewable electricity across all our sites, recognising that all seven of our UK sites achieved this in January 2022
- Introducing solar PV cells onto site rooftops to increase self sufficiency
    - Long Sutton/Bradford/Cardiff will complete in 2024-25
    - Erith/Belvedere sites are currently in design stage
    - Wisbech/Glasgow are planned for 25-25
    - Princes Tuna Mauritius is currently at planning stage and is expected that solar PV will supply 100% of the site energy needs.
- Achieving 100% LED lighting use across our entire manufacturing estate
- Introducing green hydrogen into our Cardiff site for which a capital expenditure paper is pending approval from our board at the time of writing this report
- Introducing carbon capture technology into UK soft drinks sites to not only reduce emissions but reduce risk from erratic supply of CO_2 to the UK food sector we have experienced in recent years

With the above completed and planned actions we are confident that our Scope 1 and 2 emissions are seeing strong reduction progress towards our existing carbon neutral target and will meet our SBTs for Scope 1 and 2 near term reduction.

Scope 3 Progress

Supply chain emissions remain a shared challenge across our sector, and we are working with our peers on collaborative initiatives such as:

- Sharing data transparently where requested via the Carbon Disclosure Programme CDP, the UK retailer led M2030 platform and the Ecovadis platform.
- We are also currently reviewing our supplier and vendor management approach which will require all strategic suppliers as selected based on their spend and importance to Princes to disclose their emissions and set carbon reduction targets aligned with a 1.5°C pathway.
- The Science Based Targets Initiative (SBTi) will accredit our climate targets, as aligned to the 1.5°C pathway and we aim to submit our targets before end August 2024. Once verified we will publish these and disseminate our targets down through our supply chains for supplier awareness.

Strategic report (continued)

Non-Financial and Sustainability Statement (continued)

Climate-Related Financial Disclosures (continued)

Risk management (continued)

Scope 3 and supply chains

In order for Princes to achieve our future net zero ambitions, our supply partners also need to become aligned to measuring, monitoring and reducing their emissions. Achieving net zero is a global challenge and simply attempting to achieve Net Zero emissions on a global scale will have a transformative impact on the world economy. Princes identifies our role as one to offer leadership, motivation and support to our suppliers to set targets and achieve their goals.

We also recognise that many supply chains are shared amongst our peer group and welcome the opportunity to engage in more competitive collaboration with them and other industry stakeholders to build understanding, capacity and tools for measuring and reducing GHG emissions across our supply chain.

Our initial focus will be on our direct, tier one suppliers – identified as those with which Princes has a direct contracting relationship - with our expectation that these suppliers then, in turn, support their suppliers at the next tier to become familiar with the challenges, opportunities and tools available to deliver net zero global ambitions.

Although our own SBTs have yet to be submitted and validated, dialogue has commenced with key suppliers of high carbon intensity raw materials or raw materials of significant volume to us, such as tuna, steel, oils and beef

We recognise our leverage to influence change will vary by industry and supplier and are building metrics into our sourcing practices to recognise and encourage those suppliers most aligned to our sustainability programme to continue making the progress we all need.

Going forward we will be setting specific targets for all tier one suppliers to be undertaking training on GHG emissions, thinking about the role they can play in reducing carbon emissions and eventually setting and publishing their targets on scopes 1, 2 and 3. At this stage we are intentionally not setting a specific deadline for suppliers to achieve this as we recognise there are different stages of maturity. For our next report we aim to provide further details on the timeframes involved for tier one suppliers to have written commitments around their decarbonisation journeys so we can monitor their performance.

Approach to decarbonisation

Our approach includes reducing and removing carbon emissions as much as possible, particularly in those higher emitting commodities we source such as edible oils, corned beef, tuna and steel. We recognise that we do not currently have a defined strategy relating to carbon offsets or insets and recognise the growing risks around such initiatives from a verification, certification and monitoring perspective.

We will therefore continue engaging with supply partners and industry stakeholders to review opportunities around nature-based, social based and technology-based carbon reduction measures.

Strategic report (continued)

Non-Financial and Sustainability Statement (continued)

Climate-Related Financial Disclosures (continued)

Risk management (continued)

Metrics & targets

	Theme	Target	Status 23/24	Baseline 18/19	Change		Notes
					Absolute	%	
Our operations	Scope 1 & 2 emissions (tonnes CO2 eq)	Carbon Neutral 2030	85,791	112,945	(27,154)	(24.04%)	45% of All Group electricity purchased is now renewable. Scope 1 and 2 targets for Net Zero will be set in line with Group Net Zero submission to the SBTi during 24-25
Our operations	Water use (m3)	25% reduction by 2030	3,949,138	4,476,310	(527,172)	(11.78%)	Water surveys and mass balance exercises carried out at manufacturing sites 23-24 to inform projects to reduce water wastage.
Our operations	General Waste (tonnes)	25% reduction by 2030	5,324	5,877	(553)	(9.41%)	Improved ways of working with waste contractors to ensure focus on value in waste. Multiple site continuous improvement projects to reduce waste at source supported with communications engagement with site colleagues.
Our operations	Food Waste (tonnes)	50% reduction by 2030	66,377	94,341	(27,964)	(29.64%)	Ongoing site projects to reduce food waste on the production lines including finished product and raw material wastage. Working with waste disposal contractors to find more positive food waste disposal methods to derive value from waste or divert more readily into human food chain via charity partnerships.
Supply Chain	Scope 3 emissions (tonnes CO2 eq)	Net Zero SBT in development	2,630,000	n/a	n/a	n/a	Figure stated for Jan> Dec 22. Recalculation for year 23-24 to be undertaken in 24-25. Net Zero Targets for Scopes 1,2,3 in development on 1.5-degree pathway

In addition to the targets stated above we have a further target for internal energy generation at 50% of our needs by 2030. It is not stated within the table currently as it is not possible for us to accurately quantify this figure yet. We expect we will be able to report for the year 2024-25, by which time investments such as solar will start to power our sites.

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Strategic report (continued)

Non-Financial and Sustainability Statement (continued)

Climate-Related Financial Disclosures (continued)

Next steps

During the following financial year in addition to establishing our SRC as the body responsible for reporting climate related financial risk we will embed our enhanced understanding of climate risks and the recommendations of the CFD framework.

Going forward we will be working to address the critical areas that remain to strengthen our resilience, effectiveness and credibility on our decarbonisation journey as a leading food and drink company.

This will be supported by additional training for key colleagues and supply partners, strengthening processes to improve awareness and collaboration between internal teams, and the inclusion of climate related risks and issues into functional and individual objectives for relevant Princes' colleagues.

Approval

This report was approved by the board of directors and signed on its behalf by:

Kazuhito Suematsu

K Suematsu
Director

8 July 2024

Registered No: 02328824

Directors Report

The directors present their report and the audited financial statements for the year ended 31 March 2024.

Matters included in the Strategic Report

In accordance with s414(C) (11) of the Companies Act, included in the Strategic Report is information relating to the future development of the business which would otherwise be required by Schedule 7 of the 'large and medium sized companies and groups (accounts and reports) regulations 2008' to be contained in a Directors' Report.

Post balance sheet events

Following the year end, on 27 May 2024, Princes Limited's owner, Mitsubishi Corporation, reached the decision, in principle, to sell the entire Princes Group to Newlat Food S.p.A. The transaction is due to complete by the end of July 2024.

Financial risk management objectives and policies

Foreign currency risk

The group is exposed to foreign currency risk with its transactions dominated in foreign currencies. Exchange rate exposures are managed within approved policies set out by the Board of Directors.

At 31 March 2024 the group had hedged the majority of its foreign currency commitments which existed at the statement of financial position (2023: same). See note 35 for further hedging arrangement details.

Interest rate risk

The group's policy is to manage its cost of borrowing using a mix of fixed and variable rate debt depending upon market conditions.

Credit risk

The risk of financial loss due to a counterparty's failure to honour its obligations arises principally in relation to transactions where the group provides goods and services, enters into derivative contracts requiring settlement by the other party and invests or deposits surplus cash.

Group policies are aimed at minimising such losses, and require that terms are only granted to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures. Individual exposures are monitored to ensure that the group's exposure to bad debts is not significant. Where appropriate, credit insurance is obtained by the group to mitigate exposures.

Liquidity risk

The group seeks to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets throughout the group. Investment is carefully controlled with authorisation limits operating up to the group and parent company board level, and investment return criteria are applied as part of the investment appraisal.

The group's funding strategy is to maintain a balance between continuity of funding and flexibility through the use of overdrafts and loans from external banks and group companies.

Price risk

Other than as stated above (foreign currency risk section) the group hedges the cost of raw material prices where deemed necessary. No speculative trading in derivative financial instruments is undertaken by the group.

Dividends

The directors do not propose to pay a final dividend out of reserves on the ordinary shares (2023: £nil), together with the interim dividend paid of £nil (2023: £nil) giving a total paid in the year of £nil (2023: £nil). The total estimated dividend to be paid is £nil (2023: £nil) per share. Further details of dividends paid during the year are included in note 10.

Dividends paid after the year end are accounted for in accordance with IAS 10 'Events after the Reporting Period'.

Political and charitable contributions

The group made charitable donations amounting to £544,000 during the year ended 31 March 2024 (2023: £207,000). Corporate Social Responsibility is a fundamental aspect of Princes business strategy and the company financially supports various charities and not-for-profit sustainability organisations which are aligned to its corporate responsibility principles. Within the year the majority of these donations were to the food waste and hunger charity FareShare. There were no political contributions (2023: same).

Directors' report (continued)

Directors

The directors, who served during the year and until the date of signing these financial statements, unless otherwise noted below, are as follows:

S Cardall (Resigned 28 June 2024)
S Harrison (Appointed 1 June 2023)
M Kawamata (Appointed 1 April 2023)
C Mackintosh (Resigned 8 April 2024)
S Nakaniwa (Appointed 1 June 2022)
T Okura (Resigned 1 March 2024)
K Suematsu
A Takada
K Ito (Resigned 1 April 2023)

Directors' indemnities

During the period and up to the date of signing the financial statements, the Group maintained third-party indemnity insurance for its directors and officers.

Overseas Branches

Princes Limited has no overseas branches. Further details of other associated companies are included in notes 15, 16 and 17.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other colleagues.

Employee engagement

Details of how the directors have engaged with colleagues; and how the directors have had regard to colleague interests, and the effect of that regard, including on the principal decisions taken by the company during the financial year can be found in the 'Section 172 Statement' included in the Strategic Report.

Business Relationships

Details of how the directors have had regard to the need to foster the company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the company during the financial year can be found in the 'Section 172 Statement' included in the Strategic Report.

Energy and Carbon Reporting

In Accordance with part 15 of the Companies Act 2006, included in the directors' report is Princes energy use & associated greenhouse gas emissions for the year ending 31 March 2024.

	2024	***2023***
Energy consumption used to calculate emissions: (kWh)	**252,584,769**	**252,929,257**
Emissions from the combustion of gas	33,781	33,749
Emissions from the combustion of fuel for transport purposes	664	552
Emissions from business travel in rental cars or employee owned vehicles where company is responsible for purchasing the fuel:	69	64
Emissions from purchased electricity	13,342	13,559
Total gross tCO2e based on the above:	**47,856**	**47,924**
Intensity ratio: Gross tCO2e / £1m revenue	28	27

Directors' report (continued)

Energy and Carbon Reporting (continued)

Methodology

Gas and electricity usage, prepared by Princes, has been collected using data from 3rd party meter readings, business mileage has been collected by collating data from Princes employee expense system and fuel usage has been estimated by using the amounts expensed in the year. Usage volumes have been multiplied by the Gov.uk greenhouse gas reporting conversion factors to arrive at the reported figures above. Energy use is presented in Gross Calorific Value kWh (kWh) & emissions are presented in Tonnes of CO2 equivalent (tCO2e).

Princes have taken the option to exclude energy usage for subsidiaries that would not itself be obliged to include if reporting on its own account, as such only Edible Oils Limited has been included. 50% of Edible Oils Limited's UK energy use has been included in the Princes group report equating to Princes equity share of the joint venture.

Energy Efficiency Action

Princes has started to install solar panels to our UK factory roofs, our Long Sutton installation is complete and becomes operational in June 2024, we plan to have solar panels installed at two of our other factory roofs by the end of the year and we are actively looking at additional solar projects at our overseas sites. We continue to implement our 2023 Green Goal strategy and are making good progress against our key environmental targets. We have also set an annual site energy efficiency target of 2.5% with site management teams focused on efficiency and reduction of waste.

Statement of corporate governance arrangements

Princes have not applied a recognised corporate governance code for the financial year; instead as a wholly owned subsidiary follow the corporate governance principles of the wider Mitsubishi Corporation group. Mitsubishi Corporation's principles are derived and based upon the Audit & Supervisory Board Member code of corporate governance.

The key principles Princes applied in the year are:

Purpose and Leadership

Our vision is to proudly help families to eat well without costing the earth.

Our Mission: We will deliver sustainable, profitable growth by:

- Being an employer of choice where our colleagues are proud to represent our business
- Embracing consumer insight and evolving to meet their changing needs through innovation
- Serving our customers to the highest standards as a trusted first choice partner
- Sourcing raw materials responsibly and ethically, adding value throughout our supply chain to provide great tasting food and drink.

The board promotes above purpose of the Group and ensures that Princes values, strategy and culture align with our purpose.

Composition

The Executive Chairman leads the Board and ensures that the views of all Directors are considered in the decision-making process.

Although there are no independent directors on the board, the Directors are highly experienced business leaders and frequently consider the interests of a broad range of stakeholders (including employees, customers, suppliers & joint venture partners) in their decision-making processes. The board also includes expat directors from Princes ultimate parent Mitsubishi Corporation that ensure the parent entities interests are represented on the board and that views from outside of Princes are represented.

The Directors believe that the Board is of an appropriate size for the size and complexity of the business.

Princes maintains an internal audit team which conducts frequent audits across the business on a regular basis. Furthermore, Princes is also subject to audits from Mitsubishi Corporation and from externally instructed auditors to ensure continued compliance with all relevant legal requirements.

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Directors' report (continued)

Statement of corporate governance arrangements (continued)

Directors Responsibilities

The Directors' have clear well defined roles and responsibilities. As discussed in the 'Section 172 statement' above the Board takes into account the impact on a wide range of stakeholders when making strategic decisions.

The Directors receive detailed information relating to the operations and performance of the Group, both through periodic meetings and ad-hoc full Board meetings when required.

During the year the Group continued to build on the already well developed internal control framework which is managed by our dedicated internal audit team.

Opportunity and Risk

The Board seeks to capitalise on opportunities (for example through capital investment, joint venture agreements and merger and acquisitions) while mitigating risks where possible.

The Board are also committed to new product development and innovation in order to remain competitive and break into new market segments. Risks of product failure are mitigated through extensive market research prior to launching new products.

Remuneration

The Board have the responsibility of developing, maintaining and implementing remuneration policies. The overriding objective of such policies is to attract and retain high-calibre individuals with competitive reward packages based on the achievement of performance targets. These are linked to individual performance and accountability, and support the Group's commitment to becoming an employer of choice while rewarding long-term value creation.

The Board ensures that levels of compensation across the Group are sufficiently competitive to retain talent within the Group.

Stakeholders

Details of how the Directors engage with some of our key stakeholders, including our workforce, suppliers and customers can be found in the 'Section 172 Statement' included in the Strategic Report.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

(1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and

(2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

This report was approved by the Board of Directors and authorised for issue on 28 June 2024.

Signed on behalf of the Board of Directors:

Kazuhito Suematsu

K Suematsu
Director

8 July 2024

Registered No: 02328824

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Independent auditor’s report to the members of Princes Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Princes Limited (the ‘parent company’) and its subsidiaries (the ‘group’) give a true and fair view of the state of the group’s and of the parent company’s affairs as at 31 March 2024 and of the group’s profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated and parent company cash flow statement; and
- the related notes 1 to 37.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council’s (the ‘FRC’s’) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1.3 in the financial statements, which indicates that whilst the directors consider that the company is a going concern, should there be a change of ownership within the next 12 months, the intentions of any future management would be uncertain, including the financial support the group and company would receive. As stated in note 1.3, these events or conditions, along with the other matters as set forth in note 1.3, indicate that a material uncertainty exists that may cast significant doubt on the group and parent company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

Our evaluation of the directors’ assessment of the group’s and parent company’s ability to continue to adopt the going concern basis of accounting included:

- obtaining confirmation of the availability of the group’s financing facilities, which comprise a combination of Mitsubishi group debt, which is guaranteed whilst Mitsubishi Corporation are majority shareholders in the business, and external facilities, and the covenants attached to this debt;

Independent auditor's report to the members of Princes Limited (continued)

- obtaining and reviewing the letter of support provided by the group's ultimate parent and assessment of the ability and intention of this group's ultimate parent to provide that support;
- checking the mathematical accuracy of the going concern assessment including agreement to approved budgets and forecasts;
- challenging the key assumptions of these forecasts by:
    - reading industry data and other external data and comparing these with the group's estimates;
    - evaluating historical accuracy of forecasts prepared by the group through comparing forecast results with the historical performance;
    - assessing the sensitivity of the headroom within management's forecasts;
- held discussions with the directors to obtain information and supporting documentation relating to the proposed sale of the group to Newlat Food S.p.A and the requirements to complete the transaction ; and
- challenging the adequacy of the group's disclosures relating to the material uncertainty on going concern.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report to the members of Princes Limited (continued)

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 auditor's report.

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

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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit, and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax, valuations, pensions, IT, and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address them are described below:

- We identified a risk due to fraud in relation to the occurrence and accuracy of revenue, specific to transactions which have indicators of manual intervention. We performed the following procedures to address this risk:
  - we used data analytics to profile the revenue population to identify transactions of interest;
  - we obtained evidence to determine whether a sample of variances which we identified through our data analytics were subject to manual intervention ; this included performing tests to corroborate management's explanations by reviewing third party documentation; and
  - where manual intervention was identified, we performed further procedures to understand whether there was an appropriate basis for the transaction.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports.

Registered No: 02328824

Independent auditor’s report to the members of Princes Limited (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors’ report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors’ report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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

David Crawford.

David Crawford FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Manchester, United Kingdom

8 July 2024

Registered No: 02328824

Consolidated income statement

For the year ended 31 March 2024

	Notes	***2024*** ***£'000***	***2023*** ***£'000***
Revenue	2	1,708,828	1,744,803
Cost of sales		(1,412,225)	(1,477,697)
Gross profit		296,603	267,106
Distribution costs		(85,864)	(87,433)
Administrative expenses		(178,342)	(224,851)
Share of results of associates and joint ventures	16, 17	3,975	10,059
		(260,231)	(302,225)
Operating profit/(loss)		36,372	(35,119)
Finance costs	8	(30,233)	(15,531)
Profit/(loss) before tax		6,139	(50,650)
Tax	9	1,410	9,751
Profit/(loss) for the year from continuing operations	4	7,549	(40,899)
Profit/(loss) for the year attributable to:			
Owners of the Company		4,007	(42,688)
Non-controlling interests		3,542	1,789
		7,549	(40,899)

All revenue and operating profit/(loss) for the year ended 31 March 2024 relate solely to the group's continuing operations (2023: same).

Registered No: 02328824

Consolidated statement of comprehensive income

For the year ended 31 March 2024

	Notes	2024	2023
		£'000	£'000
Profit/(loss) for the year		7,549	(40,899)
Other comprehensive (expense)/income:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of net defined benefit asset	31	(28,443)	(26,565)
Tax relating to items that will not be reclassified subsequently	9,25	6,894	6,633
		(21,549)	(19,932)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(2,969)	4,086
Fair value gain/(loss) arising on hedging instruments		317	(4,013)
Tax relating to items that may be reclassified subsequently	9,25	(44)	925
		(2,696)	998
Total other comprehensive expense		(24,245)	(18,934)
Total comprehensive expense for the year		(16,696)	(59,833)
Total comprehensive (expense)/income attributable to:			
Owners of the Company		(18,981)	(63,272)
Non-controlling interests		2,285	3,439
		(16,696)	(59,833)

Registered No: 02328824

Consolidated statement of financial position

As at 31 March 2024

	Notes	*2024* *£'000*	*2023* *£'000*
Non-current assets			
Goodwill	11	33,297	33,297
Other intangible assets	12	26,451	28,294
Property, plant and equipment	13	382,391	405,375
Right-of-use assets	28	53,744	58,168
Interests in associates	16	9,248	10,018
Investments	17	46,905	45,823
Deferred tax asset	25	2,818	588
Derivative financial instruments	24	23	3
Retirement benefit surplus	31	2,704	29,115
		557,581	610,681
Current assets			
Inventories	18	349,524	407,832
Trade and other receivables	19	255,835	254,547
Current tax receivables		1,032	2,104
Cash and bank balances		5,077	7,741
Derivative financial instruments	24	1,180	1,956
		612,648	674,180
Assets classified as held for sale	20	-	79
Total assets		1,170,229	1,284,940
Current liabilities			
Trade and other payables	21	(241,756)	(253,804)
Current tax liabilities		(824)	(433)
Lease liabilities	28	(10,767)	(10,820)
Borrowings	22	(364,964)	(421,355)
Derivative financial instruments	24	(3,063)	(3,920)
Deferred revenue	32	(96)	(96)
		(621,470)	(690,428)
Non-current liabilities			
Borrowings	22	(195,067)	(210,573)
Retirement benefit obligations	31	(3,678)	(3,357)
Deferred tax liability	25	(21,895)	(29,415)
Deferred revenue	32	(3,051)	(3,149)
Lease liabilities	28	(46,601)	(51,946)
Long-term provisions	26	(971)	(904)
Derivative financial instruments	24	(20)	(82)
		(271,283)	(299,426)
Total liabilities		(892,753)	(989,854)
Net assets		277,476	295,086

Registered No: 02328824

Consolidated statement of financial position (continued)

As at 31 March 2024

	Notes	*2024* *£'000*	*2023* *£'000*
Equity			
Share capital	27	7,000	7,000
Capital redemption reserve		5,400	5,400
Equity reserve		(5,665)	(5,665)
Hedging reserve		(1,259)	(1,532)
Translation reserve		1,795	4,080
Retained earnings		230,997	247,966
Equity attributable to owners of the Company		238,268	257,249
Non-controlling interest	33	39,208	37,837
Total equity		277,476	295,086

The financial statements were approved by the Board of Directors and authorised for issue on 8 July 2024.

Signed on behalf of the Board of Directors:

Kazuhito Suematsu

K Suematsu
Director

Registered No: 02328824

Company statement of financial position

As at 31 March 2024

	Notes	*2024* £'000	*2023* £'000
Non-current assets			
Goodwill	11	34,171	34,171
Other intangible assets	12	24,347	25,573
Property, plant and equipment	13	309,649	322,269
Right-of-use assets	28	47,064	50,988
Investment property	14	3,540	3,701
Interests in associates	16	1,045	1,045
Investments	15	33,054	116,422
Trade and other receivables	19	77,063	79,336
Deferred tax asset	25	-	672
Derivative financial instruments	24	23	1
Retirement benefit surplus	31	2,704	29,115
		532,660	663,293
Current assets			
Inventories	18	173,891	215,765
Trade and other receivables	19	260,518	264,265
Current tax receivables		985	2,104
Cash and bank balances		185	192
Derivative financial instruments	24	375	689
		435,954	483,015
Assets classified as held for sale	20	-	79
Total assets		968,614	1,146,387
Current liabilities			
Trade and other payables	21	(178,325)	(199,513)
Lease liabilities	28	(9,169)	(8,660)
Borrowings	22	(356,226)	(394,823)
Derivative financial instruments	24	(2,650)	(2,993)
Deferred revenue	32	(96)	(96)
		(546,466)	(606,085)
Non-current liabilities			
Borrowings	22	(197,217)	(260,428)
Deferred tax liability	25	(19,751)	(31,292)
Lease liabilities	28	(41,347)	(46,327)
Deferred revenue	32	(3,043)	(3,139)
Long-term provisions	26	(971)	(904)
Derivative financial instruments	24	(20)	(82)
		(262,349)	(342,172)
Total liabilities		(808,815)	(948,257)
Net assets		159,799	198,130

Registered No: 02328824

Company statement of financial position (continued)

As at 31 March 2024

Equity			
Share capital	27	7,000	7,000
Capital redemption reserve		5,400	5,400
Equity reserve		(5,665)	(5,665)
Hedging reserve		(1,553)	(1,789)
Translation reserve		-	-
Retained earnings		154,617	193,184
Equity attributable to owners of the Company		159,799	198,130

The company reported a profit before impairment losses of £65,280,000 (2023: profit of £32,938,000) for the financial year ended 31 March 2024.

The company reported a loss after impairment losses of £18,087,000 (2023: loss of £38,226,000) for the financial year ended 31 March 2024. Please see further details in company statement of changes in equity.

The financial statements were approved by the Board of Directors and authorised for issue on 8 July 2024.

Signed on behalf of the Board of Directors:

Kazuhito Suematsu

K Suematsu
Director

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Consolidated statement of changes in equity
For the year ended 31 March 2024

	Share capital £'000	*Capital redemption reserve £'000*	*Equity reserve £'000*	*Hedging reserve £'000*	*Translation reserve £'000*	*Retained earnings £'000*	*Total £'000*	*Non-controlling interest £'000*	*Total equity £'000*
Balance at 31 March 2022	7,000	5,400	(5,665)	1,556	1,642	317,649	327,582	34,398	361,980
(Loss)/profit for the year	-	-	-	-	-	(42,688)	(42,688)	1,789	(40,899)
Other comprehensive income /(expense) for the year	-	-	-	(3,088)	2,438	(19,934)	(20,584)	1,650	(18,934)
Total comprehensive income/(expense) for the year	-	-	-	(3,088)	2,438	(62,622)	(63,272)	3,439	(59,833)
Dividends (see note 10)	-	-	-	-	-	(7,062)	(7,062)	-	(7,062)
Balance at 31 March 2023	7,000	5,400	(5,665)	(1,532)	4,080	247,966	257,249	37,837	295,086
Profit for the year	-	-	-	-	-	4,007	4,007	3,542	7,549
Other comprehensive income/(expense) for the year	-	-	-	273	(2,285)	(20,976)	(22,988)	(1,257)	(24,245)
Total comprehensive income/(expense) for the year	-	-	-	273	(2,285)	(16,969)	(18,981)	2,285	(16,696)
Dividends (see note 10)	-	-	-	-	-	-	-	(915)	(915)
Balance at 31 March 2024	7,000	5,400	(5,665)	(1,259)	1,795	230,997	238,268	39,207	277,476

The capital redemption reserve contains the premium arising on issue of equity shares.

The equity reserve relates to the adjustment to the fair value of the brand acquired through the company increasing its holding in Napolina Limited from 76% to 100% on 12 August 2013.

The hedging reserve relates to the gains and losses arising on the effective portion of hedging instruments carried out at fair value in a qualifying cash flow hedge.

The translation reserve represents the gains and losses arising on retranslating the net assets of overseas operations into sterling.

The retained earnings are all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

The non-controlling interest relates to minority interests in Princes Tuna (Mauritius) Limited, Indico Canning Limited & West Yorkshire Industrial Estates (Management) Limited.

Company statement of changes in equity

For the year ended 31 March 2024

	Share capital £'000	*Capital redemption reserve £'000*	*Equity reserve £'000*	*Hedging reserve £'000*	*Translation reserve £'000*	*Retained earnings £'000*	*Total £'000*
Balance at 31 March 2022	7,000	5,400	(5,665)	2,063	-	258,360	267,158
Profit for the year	-	-	-	-	-	(38,226)	(38,226)
Other comprehensive expense for the year	-	-	-	(3,852)	-	(19,889)	(23,741)
Total comprehensive expense for the year	-	-	-	(3,852)	-	(58,115)	(61,967)
Dividends (see note 10)	-	-	-	-	-	(7,062)	(7,062)
Balance at 31 March 2023	7,000	5,400	(5,665)	(1,789)	-	193,183	198,129
Loss for the year	-	-	-	-	-	(18,087)	(18,087)
Other comprehensive expense for the year	-	-	-	236	-	(20,479)	(20,243)
Total comprehensive expense for the year	-	-	-	236	-	(38,566)	(38,330)
Dividends (see note 10)	-	-	-	-	-	-	-
Balance at 31 March 2024	7,000	5,400	(5,665)	(1,553)	-	154,617	159,799

The capital redemption reserve contains the premium arising on issue of equity shares.

The equity reserve relates to the adjustment to the fair value of the brand acquired through the company increasing its holding in Napolina Limited from 76% to 100% on 12 August 2013.

The hedging reserve relates to the gains and losses arising on the effective portion of hedging instruments carried out at fair value in a qualifying cash flow hedge.

The translation reserve represents the gains and losses arising on retranslating the net assets of overseas operations into sterling. Following the transfer of these operations into another group company, the translation reserve has been released to retained earnings.

The retained earnings are all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

The company reported a profit/(loss) as follows:

	2024 £'000	*2023 £'000*
Statutory profit before impairment	65,281	32,937
Impairment of investments	(83,368)	(13,418)
Impairment of intangible assets (note 11)	-	(11,150)
Impairment of property, plant and equipment (note 13)	-	(41,134)
Impairment of ROU assets (note 28)	-	(5,461)
Statutory loss after impairment	(18,087)	(38,226)

Consolidated cash flow statement

For the year ended 31 March 2024

	Notes	*2024* *£'000*	*2023* *£'000*
Net cash flows from/(used in) operating activities	34	98,470	(22,558)
Investing activities			
Dividends received from joint ventures and associates		3,799	7,500
Purchase of other intangible assets	12	(210)	(2,682)
Purchase of property, plant and equipment	13	(18,597)	(34,898)
Gain from sale of property, plant and equipment		(190)	106
Net cash flows used in investing activities		(15,198)	(29,974)
Finance activities			
Dividends paid	10	-	(7,062)
Dividends paid to non-controlling interest	33	(915)	-
Proceeds from loans and borrowings		27,315	64,898
Repayment of borrowings		(94,828)	(2,463)
Repayment of lease liabilities		(13,124)	(13,604)
Net cash flows (used in)/generated by finance activities		(81,552)	41,769
Net increase/(decrease) in cash and bank balances		1,720	(10,763)
Cash and bank balances at beginning of year		7,741	11,959
Effect of foreign exchange rate changes		(4,384)	6,545
Cash and bank balances at end of year		5,077	7,741

	2024 *£'000*	*2022* *£'000*
Cash and bank balances:		
Cash at bank	5,076	7,740
Cash in hand	1	1
	5,077	7,741

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Company cash flow statement

For the year ended 31 March 2024

	Notes	*2024* *£'000*	*2023* *£'000*
Net cash flows from/(used in) operating activities	34	124,807	(23,535)
Investing activities			
Dividends received from associates		4,130	7,500
Investments in subsidiaries	15	-	(15,832)
Purchase of other intangible assets	12	(356)	(565)
Purchase of property, plant and equipment	13	(16,359)	(30,469)
Additions to investment property	14	(44)	(207)
Gain from sale of property, plant and equipment		585	108
Net cash flows used in investing activities		(12,044)	(39,465)
Finance activities			
Dividends paid	10	-	(7,062)
Proceeds from loans and borrowings		42,370	68,120
Repayment of borrowings		(140,181)	-
Repayment of lease liabilities		(10,961)	(9,154)
Net cash flows (used in)/generated by finance activities		(108,771)	51,905
Net increase/(decrease) in cash and bank balances		3,992	(11,095)
Cash and bank balances at beginning of year		192	5,120
Effect of foreign exchange rate changes		(3,998)	6,167
Cash and bank balances at end of year		186	192

Cash and bank balances:	*2024* *£'000*	*2023* *£'000*
Cash at bank	184	191
Cash in hand	1	1
	185	192

Notes to the financial statements

For the year ended 31 March 2024

1. Accounting policies

1.1 General information

Princes Limited (the "Company") is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the group's operations and its principal activities are set out in the strategic report, on page 2.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the group operates. Foreign operations are included in accordance with the policies set out in note 1.3.

1.2 Adoption of new and revised Standards

In the current year, the following new and revised Standards and Interpretations have been adopted and have affected the amounts reported in these financial statements.

Standards affecting the financial statements

The following standards and interpretations have come into effect during the year. The adoption of these amendments has not had any material impact on the disclosures or amounts reported in these financial statements.

IFRS 17 (Effective 01 Jan 2023)	Insurance Contracts
Amendments to IAS 1 (Effective 01 Jan 2023)	Classification of liabilities as current or non-current
Amendments to IAS 8 (Effective 01 Jan 2023)	Definition of Accounting Estimates
Amendments to IAS 12 (Effective 01 Jan 2023)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12 (Effective 23 May 2023)	International Tax Reform—Pillar Two Model Rules

At the date of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective.

Amendments to IAS 1 (Effective 01 Jan 2024)	Non-current Liabilities with Covenants
Amendments to IFRS 16 (Effective 01 Jan 2024)	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7 (Effective 01 Jan 2024)	Supplier Finance Arrangements
Amendments to IAS 21 (Effective 01 Jan 2025)	Lack of Exchangeability
IFRS 18 (Effective 1 Jan 2027)	Presentation and Disclosure in Financial Statements

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the group in future periods.

Standards will all be applied in the first financial period following the effective date.

Notes to the financial statements (continued)

For the year ended 31 March 2024

1. Accounting policies (continued)

1.3 Significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policy below. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries) made up to 31 March each year. Control is achieved where the company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Basis of consolidation

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the group’s equity therein. Those interests of non-controlling shareholders that present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests’ proportionate share of the fair value of the acquiree’s identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests’ share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Investments in joint ventures

In the group financial statements investments in joint ventures are accounted for using the equity method. The group income statement includes the group’s share of joint ventures profits less losses while the group’s share of the net assets of the joint ventures is shown in the group balance sheet.

Notes to the financial statements (continued)

For the year ended 31 March 2024

1. Accounting policies (continued)

1.3 Significant accounting policies (continued)

Other investments

Other fixed asset investments are stated at the lower of cost and net realisable value. Changes in the group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the company.

Going concern

The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business. In satisfaction of this responsibility the directors have reviewed in detail the business' cash flow projections, together with the availability of undrawn borrowing facilities, for a period of at least 12 months from the date of approval of these financial statements. The profitability and cash generation from day-to-day operations is expected to continue to improve into the future. Notwithstanding the net current liability position of £8,822,000 at 31 March 2024 the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future due to future profitability of the group. Further detail of the group's performance is contained in the Strategic Report and details of the group's borrowing facilities are included in note 22.

On 27th May 2024, Mitsubishi Corporation confirmed its intention to sell 100% of the Princes Group to Newlat Food S.p.A (Newlat). Newlat is an international agro-food group with a strong heritage, producing and distributing dairy, baby food, pasta, bakery, gluten free, instant hot snacks, and other specialty food products mainly under its own brands as well as private label. Newlat has operations in four countries, namely Italy, U.K., Germany and France, through its subsidiaries Centrale del Latte d'Italia, Symington's, Newlat GmbH and EM Foods. Newlat Food S.p.A and its subsidiary Centrale del Latte d'Italia are both listed on the Milan Stock Exchange.

The Princes directors have been informed that the SPA signed on 27th May 2024 (the "SPA") includes an obligation on Newlat to procure repayment of all existing third-party debt of Princes on Completion (except where it is agreed with the relevant lenders that the debt will remain in place after closing). The Princes directors are also aware that the SPA contemplates the establishment by Newlat Foods, with effect from Completion, of new lines of credit and other facilities and services to replace and/or supplement the existing financing arrangements of the Princes Group.

The transaction is subject to certain regulatory requirements, including consultation with our employee consultation groups and customary regulator approvals. Therefore, Mitsubishi Corporation remain the owners of the Princes Group until all regulatory requirements and consultations are completed. Whilst the directors consider that the company is a going concern, should there be a change of ownership within the next 12 months, the intentions of any future management would be uncertain, including the financial support the company would receive. This represents a material uncertainty which may cast significant doubt about the Group and company's ability to continue as a going concern.

However, as a result of the net current liability position of £8,822,000 and the funding structure of the group, Mitsubishi Corporation have issued a letter of support for the group to provide financial support as far as Mitsubishi Corporation is the majority shareholder of Princes Ltd. Borrowings from a subsidiary of Princes ultimate parent, Mitsubishi Corporation which makes up 89% of the total group's borrowings have been guaranteed in the letter of support. The directors have assessed the ability of Mitsubishi Corporation to support the group and have concluded they have the ability to do so whilst the majority shareholder of Princes Ltd. As a result of the above, the directors have concluded it is appropriate to continue to adopt the going concern basis in preparation of the financial statements.

Notes to the financial statements (continued)

For the year ended 31 March 2024

1. Accounting policies (continued)

1.3 Significant accounting policies (continued)

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 (2008) are recognised at their fair value at the acquisition date, except that: deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Investments in associates

An associate is an entity over which the group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.*

Notes to the financial statements (continued)

For the year ended 31 March 2024

1. Accounting policies (continued)

1.3 Significant accounting policies (continued)

Investments in associates (continued)

Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and therefore adjusted thereafter to recognise the group's share of the profit or loss and other comprehensive income of the associate. When the group's share of losses of an associate exceeds the group's interest in that associate (which includes any long-term interests that, in substance, form part of the group's net investment in the associate), the group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate.

Revenue recognition

Revenue is measured based on the consideration to which the group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue on a single performance obligation which is satisfied when it transfers control of a product or service to a customer.

The group operates one principal area of activity, that of the importation, manufacture and distribution of food and drink products. The group also operates within three geographical markets, the United Kingdom, Rest of Europe and Rest of the World.

The total sales from Edible Oils Limited are included within group revenue as detailed in note 29. 100% of Edible Oils Limited sales are to Princes Limited, who then sell on to 3rd party customers at the price charged by Edible Oils Limited to Princes Limited. Princes, in effect, is an intermediary acting as an undisclosed agent and therefore recognises 100% of the revenue from these sales and also all of the costs, thus with no gross profit impact. Princes' then records the income from the Joint Venture in the consolidated income statement in the normal way under the gross equity method.

Dividend and interest income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the group and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Leases

The group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

For all classes of assets, non-lease components, i.e. service elements, will be separated from the lease components and thereby not form part of the right-of-use asset and financial lease liability recognised in the balance sheet.

Notes to the financial statements (continued)

For the year ended 31 March 2024

1. Accounting policies (continued)

1.3 Significant accounting policies (continued)

Leases (continued)

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter of lease term and useful life of the underlying asset.

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘Property, Plant and Equipment’ policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

Notes to the financial statements (continued)

For the year ended 31 March 2024

1. Accounting policies (continued)

1.3 Significant accounting policies (continued)

Foreign currencies

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in pound sterling, which is the functional currency of the company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments / hedge accounting).

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. The group has elected to treat goodwill and fair value adjustments arising on acquisitions before the date of transition to IFRSs as sterling-denominated assets and liabilities.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise deposits with banks and financial institutions, and bank and cash balances. In the balance sheet, bank overdrafts are included in current borrowings.

Borrowing costs

Issue costs are capitalised and amortised over the period of the borrowings. Interest expense is recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Research and development

Research and development expenditure is written off as incurred. R&D tax credits are included within operating profit.

Operating profit

Operating profit is stated after the share of results of associates but before investment income and finance costs.

Notes to the financial statements (continued)

For the year ended 31 March 2024

1. Accounting policies (continued)

1.3 Significant accounting policies (continued)

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

For defined benefit retirement benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding interest) are recognised immediately in the balance sheet with a charge or credit to the statement of comprehensive income in the period in which they occur. Remeasurement recorded in the statement of comprehensive income is not recycled. Usual practice in the UK is for the remeasurement, included in the statement of comprehensive income, to be taken to retained earnings but this is not a requirement of the standard. Past service cost is recognised in profit or loss in the period of scheme amendment. Net-interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit costs are split into three categories:

– current and past service cost;

– net-interest expense or income; and

– remeasurement.

The group presents the first component of defined benefit costs within administrative expenses (see note 31) in its consolidated income statement. Net-interest expense or income is recognised within finance costs (see note 8).

The retirement benefit obligation recognised in the consolidated balance sheet represents the deficit or surplus in the group's defined benefit schemes. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the schemes or reductions in future contributions to the schemes.

Taxation

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

<u>Current tax</u>

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

<u>Deferred tax</u>

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business

Notes to the financial statements (continued)

For the year ended 31 March 2024

1. Accounting policies (continued)

1.3 Significant accounting policies (continued)

Taxation (continued)

combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and any recognised impairment losses.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets (other than land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Land and Buildings:	
Freehold buildings	- over 33-50 years
Leasehold land & buildings	- over 50 years or period of lease, if less
Plant Machinery & Equipment:	
Plant, machinery & equipment	- over 2-30 years
Vehicles	- over 2-10 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Notes to the financial statements (continued)

For the year ended 31 March 2024

1. Accounting policies (continued)

1.3 Significant accounting policies (continued)

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is stated at cost less accumulated depreciation and any recognised impairment losses. Depreciation is assessed on a straight line basis, over the asset's useful life (50 years).

Intangible assets

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised over their useful lives between 2-15 years.

Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less accumulated impairment losses. Intangible assets identified as having indefinite useful lives are influenced by the nature of the business and the lifespan of the products sold to which the intangible assets relate.

Brands and licences with finite useful lives are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives. Brands and licences with indefinite useful lives are carried at cost less accumulated impairment losses.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

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

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Notes to the financial statements (continued)

For the year ended 31 March 2024

1. Accounting policies (continued)

1.3 Significant accounting policies (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value as follows.

- raw materials, packaging and goods purchased for resale – purchase cost on a first in first out basis; and
- manufactured goods – cost of direct materials and labour plus attributable overheads based on normal level of activity.

Cost is calculated using the weighted average cost method for traded inventory and standard costing for manufactured inventory. Net realisable value represents the estimated selling price less further costs expected to be incurred to completion and disposal.

Financial instruments

Financial assets and financial liabilities are recognised in the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is 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.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; 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.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the group may make the following irrevocable election/designation at initial recognition of a financial asset:

- The group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

Notes to the financial statements (continued)

For the year ended 31 March 2024

1. Accounting policies (continued)

1.3 Significant accounting policies (continued)

Financial assets (continued)

- The group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected losses, through the expected life or the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instruments improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "finance income – interest income" line item (note 8).

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

Notes to the financial statements (continued)

For the year ended 31 March 2024

1. Accounting policies (continued)

1.3 Significant accounting policies (continued)

Financial assets (continued)

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called ‘accounting mismatch’) that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the ‘other gains and losses’ line item. Fair value is determined in the manner described earlier in this note.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the ‘other gains and losses’ line item;
- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the ‘other gains and losses’ line item. Other exchange differences are recognised in other comprehensive income in the investments revaluation reserve;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the ‘other gains and losses’ line item; and
- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

See hedge accounting policy regarding the recognition of exchange differences where the foreign currency risk component of a financial asset is designated as a hedging instrument for a hedge of foreign currency risk.

Impairment of financial assets

The group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the group recognises lifetime ECL when there has been significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Notes to the financial statements (continued)

For the year ended 31 March 2024

1. Accounting policies (continued)

1.3 Significant accounting policies (continued)

Financial assets (continued)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default,

(2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and

(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Notes to the financial statements (continued)

For the year ended 31 March 2024

1. Accounting policies (continued)

1.3 Significant accounting policies (continued)

Financial assets (continued)

The group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the group considers the changes in the risk that the specified debtor will default on the contract.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the group, in full (without taking into account any collateral held by the group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Notes to the financial statements (continued)

For the year ended 31 March 2024

1. Accounting policies (continued)

1.3 Significant accounting policies (continued)

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Notes to the financial statements (continued)

For the year ended 31 March 2024

1. Accounting policies (continued)

1.3 Significant accounting policies (continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group are recognised at the proceeds received net of direct issue costs.

Repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other gains and losses' line item in profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Notes to the financial statements (continued)

For the year ended 31 March 2024

1. Accounting policies (continued)

1.3 Significant accounting policies (continued)

Financial liabilities (continued)

Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly the group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows or the original financial liability. If the medication is not substantial, the different between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss with other gains and losses.

Derivative financial instruments

The group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and currency swaps. Further details of derivative financial instruments are disclosed in note 24.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the group has both legal right and intention to offset. The impact of the Master Netting Agreements on the Group's financial position is disclosed in note 24. A derivative is presented as a non‑current asset or a non ‑current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The group designates its derivative hedging instruments in respect of foreign currency risk. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the group documents whether the hedging instrument is effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the group actually hedges and the quantity of the hedging instrument that the group actually uses to hedge that quantity of hedged item.

Notes to the financial statements (continued)

For the year ended 31 March 2024

1. Accounting policies (continued)

1.3 Significant accounting policies (continued)

Hedge accounting (continued)

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

The group designates only the intrinsic value of option contracts as a hedged item, i.e. excluding the time value of the option. The changes in the fair value of the aligned time value of the option are recognised in other comprehensive income and accumulated in the cost of hedging reserve. If the hedged item is transaction-related, the time value is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is time-period related, then the amount accumulated in the cost of hedging reserve is reclassified to profit or loss on a rational basis – the group applies straight-line amortisation. Those reclassified amounts are recognised in profit or loss in the same line as the hedged item. If the hedged item is a non-financial item, then the amount accumulated in the cost of hedging reserve is removed directly from equity and included in the initial carrying amount of the recognised non-financial item. Furthermore, if the group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Note 35 sets out details of the fair values of the derivative instruments used for hedging purposes.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. In the event that there is an ineffective portion, the gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the ‘other gains and losses’ line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the income statement as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in cash flow hedge reserve is reclassified immediately to profit or loss.

Provisions

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

Notes to the financial statements (continued)

For the year ended 31 March 2024

1. Accounting policies (continued)

1.3 Significant accounting policies (continued)

Provisions (continued)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Deferred consideration

Deferred consideration is held within provisions for liabilities and is recorded at the fair value of consideration payable.

Dividends

A final dividend is recognised when it is declared by the company in general meeting or by the members passing a written resolution. In the case of an interim dividend authorised under common articles of association, this will normally be when the dividend is paid. Accordingly, if an interim dividend is announced before the end of the reporting period but not paid until the next reporting period, this will not result in a liability at the reporting date.

1.4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the group’s accounting policies, which are described in note 1.3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There are no critical accounting judgements that have a material impact on the group financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

<u>Impairment of goodwill, intangible assets and property, plant and equipment</u>

Determining whether goodwill, intangible assets and property, plant and equipment are impaired requires an estimation of the value in use of the cash-generating units (CGUs). The value in use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value.

IAS 19 requires that the discount rate is determined by reference to market yields at the reporting date on high quality corporate bonds. The pre tax discount rates applied to the cash flow forecasts are derived from our weighted average cost of capital. The assumptions used in the calculation of the group’s weighted average cost of capital are benchmarked to externally available data.

The carrying amount of goodwill at the balance sheet date was £33,297,000 (2023: £33,297,000). The carrying amount of intangible assets with indefinite lives at the balance sheet date was £18,848,000 (2023: £18,848,000). The carrying amount of property, plant and equipment & right-of-use assets at the balance sheet date was £436,135,000 (2023: £510,408,000), after an impairment loss of £nil (2023: £46,595,000) was charged to the group income statement.

Notes to the financial statements (continued)

For the year ended 31 March 2024

1. Accounting policies (continued)

1.4 Critical accounting judgements and key sources of estimation uncertainty (continued)

The group has seven CGUs with material assets attached. Three CGUs have goodwill and intangible assets assigned to them (Canning, PIA and Napolina). The allocation of assets to CGUs and the assessment of expected future cash flows at CGU level gives rise to estimation uncertainty.

Impairment testing is dependent on management's estimates and judgements, particularly as they relate to the forecasting of future cash flows, the discount rates selected and expected long-term growth rates. All CGUs that have goodwill and intangible assets with indefinite lives assigned to them have been subject to the annual impairment review process.

PIA CGU
The PIA CGU was impaired by £19,314,000 during the year ended 31 March 2017 and a further £32,978,000 during the year ended 31 March 2023. This was underpinned by full strategic review and reduction of the cash flow forecasts for that area of the business which continues to be reviewed annually as part of the budget process. As part of the review, management reviewed the underlying asset base of the CGU and have deemed it appropriate to include a proportion of the Napolina brand that is directly attributable to the products manufactured at PIA.

Management recognises that the EU outlook for volume produced from tomato processing in Europe has reduced over the last 10 years and the longer term horizon to 2030 is expected to remain at the reduced levels, in main producing countries, such as Italy. Adverse weather conditions and pest diseases are becoming ever more prevalent conditions for farming, which has directly affected PIA production. Considering this, PIA production remains at sustainable levels and not planned to increase materially in production from the current plans.

At 31 March 2024, the headroom is £9,549,000 on a CGU carrying value of £70,939,000 (2023: impairment of £32,978,000 on a CGU carrying value of £103,119,000).

The critical assumptions underlying the detailed forecasts used in the impairment model are wide-ranging. The discount rate used was 8.10% (2023: 9.96%). The key assumption that i subject to reasonably possible changes that could lead to a reduction in the headroom are the volume increases. A 10% reduction in volume would result in a reduction in headroom of £4,821,000.

Based on the review performed, management have concluded that the carrying value of the CGU included in the financial statements is appropriate. In this year's impairment reviews for PIA, we have considered the possibility of the reversal of the impairments made last year. Given the headroom is relatively small and there are multiple estimate which require judgement and are sensitive, no impairment reversal has been made.

Napolina CGU
Management has concluded that no reasonably possible change in the key assumptions on which it has determined value in use for the Napolina goodwill and associated intangible assets would cause their carrying values to exceed value in use.

Notes to the financial statements (continued)

For the year ended 31 March 2024

1. Accounting policies (continued)

1.4 Critical accounting judgements and key sources of estimation uncertainty (continued)

Cardiff CGU

The Cardiff CGU was impaired by £24,767,000 during the year ended 31 March 2023 as a result of volume decreases coupled with the change in market dynamics the WACC used to discount the future cash flows increased significantly.

The critical assumptions underlying the detailed forecasts used in the impairment model are wide-ranging. The discount rate used was 7.49% (2023: 9.00%). The key assumptions that are subject to reasonably possible changes that could lead to a reduction in the headroom are the current rate of stock losses. A sensitivity has been applied reducing the headroom by £2,826,000.

At 31 March 2024, the headroom is £29,657,000 on a CGU carrying value of £62,621,000. Based on the review performed, management have concluded that the carrying value of the CGU included in the financial statements is appropriate.

In this year’s impairment reviews for Cardiff, we have considered the possibility of the reversal of the impairments made last year. No reversal was appropriate due to the uncertainty in future cashflows and awaiting the resolution of the production issues at Cardiff.

2. Revenue

Revenue represents the invoiced value of goods sold which fall within the group's continuing ordinary activities and is stated net of value added tax and trading allowances. Revenue is recognised when the risk and rewards have been transferred. The total sales from Edible Oils Limited are included within group revenue as detailed in note 29.

The group operates in one principal area of activity, that of the importation, manufacture and distribution of food and drink products.

An analysis of the group’s revenue is as follows:

	Year ended 2024 £’000	***Year ended 2023 £’000***
Continuing operations		
Sales of goods	1,708,828	1,744,803

Notes to the financial statements (continued)
For the year ended 31 March 2024

3. Operating segments
The class of business the group operates in is the manufacture, importation and distribution of food and drink products to the grocery trade.

The group operates within three geographical markets, the United Kingdom, Rest of Europe and Rest of the World.

Geographical information:
The group's revenue from external customers and information about its segment assets (non-current assets excluding financial instruments, deferred tax assets, retirement benefit surpluses and other financial assets) by geographical location are detailed below:

Revenue from external customers by location:	***Year ended 2024 £'000***	***Year ended 2023 £'000***
United Kingdom	1,348,084	1,253,158
Rest of Europe	325,322	391,287
Rest of the World	35,422	100,358
	1,708,828	1,744,803

Consolidated total non-current assets by location of asset:	***2024 £'000***	***2023 £'000***
United Kingdom	445,265	461,802
Rest of Europe	64,782	71,094
Rest of the World	41,989	48,079
	552,036	580,975

Notes to the financial statements (continued)
For the year ended 31 March 2024

4. (Loss)/profit for the year

Profit for the year has been arrived at after charging/(crediting):

	Year ended 2024 £'000	*Year ended 2023 £'000*
Depreciation of property, plant and equipment (see note 13)	39,180	36,085
Depreciation of right-of-use assets (see note 28)	12,163	12,708
(Gain)/loss on disposal of fixed assets & right-of-use assets	(146)	374
Impairment of intangible assets (see note 11)	-	11,150
Impairment of property, plant and equipment (see note 13)	-	41,134
Impairment of ROU assets (see note 28)	-	5,461
Research and development costs	2,826	2,075
Amortisation of other intangible fixed assets (see note 12)	2,053	3,133
Royalties payable	408	321
Net foreign exchange (gains)/losses	(265)	386
Cost of inventories recognised as an expense (see note 18)	1,264,641	1,339,379
Write downs of inventories recognised as an expense	6,016	6,223
Employee benefit expenses (see note 7)	159,292	154,617

The group reported a profit before tax and impairment as follows:

	2024 £'000	*2023 £'000*
Profit/(loss) for the year from continuing operations	7,549	(40,899)
Tax credit	(1,410)	(9,751)
Impairment charge	-	57,745
Profit before tax and impairment	6,139	7,095

As permitted by section 408 of the Companies Act 2006 the company has elected not to present its own income statement for the year. The company reported a profit before impairment losses for the financial year ended 31 March 2024 of £65,280,000 (2023: £32,938,000 profit) and a loss after impairment losses of £18,087,000 (2022: £38,226,000 loss). Please see further details in company statement of changes in equity.

The auditor's remuneration for audit and other services is disclosed in note 5 to the consolidated financial statements.

Notes to the financial statements (continued)

For the year ended 31 March 2024

5. Auditor's remuneration

The analysis of the auditor's remuneration is as follows:

	Year ended 2024 £'000	*Year ended 2023 £'000*
Fees payable to the company's auditor and their associates for the audit of the company's financial statements	486	503
Fees payable to the company's auditor and their associates for other services to the group:		
– The audit of the company's subsidiaries	242	243
Total audit fees	728	746
Fees payable to the company's auditor for other services to the group pursuant to legislation:		
– Audit-related assurance services	-	-
Total non-audit fees	-	-

Prior year fees have been updated to reflect additional fees agreed in respect of it.

There are no non-audit services with Deloitte LLP and their associates.

Fees payable to Deloitte LLP and their associates for the respective audits of the financial statements of Edible Oils Limited and its overseas incorporated subsidiaries, in which the group has a joint venture interest, for the year ended 31 March 2024 were £63,000 (2023: £58,000) and are not recharged to the group.

6. Directors' remuneration

The remuneration of the directors, who are the key management personnel of the group, is set out below.

The total amounts for directors' remuneration in accordance with Schedule 5 to the Accounting Regulations were as follows:

	Year ended 2024 £'000	*Year ended 2023 £'000*
Short-term employee benefits	2,339	845
	No.	***No.***
Directors to whom retirement benefits are accruing for qualifying services in respect of defined benefit pension schemes	-	-

The emoluments of the highest paid director were £945,000 (2023: £473,000).

Directors' remuneration disclosed includes only directors that are paid by the Princes Group and not remuneration for Directors that are paid directly by Princes ultimate parent Mitsubishi Corporation.

Notes to the financial statements (continued)

For the year ended 31 March 2024

7. Employee benefit expenses

Employee benefit expenses (including directors) comprise:

	Group		*Company*	
	2024	***2023***	***2024***	***2023***
	£'000	***£'000***	***£'000***	***£'000***
Wages and salaries	135,837	131,682	99,401	94,648
Social security costs	13,350	13,437	9,846	9,802
Other pension costs	10,105	9,498	8,560	8,030
	159,292	154,617	117,807	112,480

Included within the Group's wages and salaries costs are costs in respect of temporary sub-contracted agency employees of £4,725,000 (2023: £3,892,000).

Included within the Company's wages and salaries costs are costs in respect of temporary sub-contracted agency employees of £4,320,000 (2023: £3,536,000).

The average monthly number of employees during the year, including directors, was:

	Group		*Company*	
	2024	***2023***	***2024***	***2023***
Office management	1,254	1,261	726	726
Manufacturing, warehousing and transport	5,029	5,048	1,310	1,322
	6,283	6,309	2,036	2,048
Temporary sub-contracted agency staff	495	425	239	180
	6,778	6,734	2,276	2,228

8. Finance income and costs

	Year ended 2024 £'000	***Year ended 2023 £'000***
Finance income:		
Interest on defined benefit pension schemes (note 31)	1,235	1,357
Finance costs:		
Interest on loans and overdrafts	(4,836)	(4,103)
Interest on lease liabilities	(1,339)	(1,515)
Interest on loans from group undertakings	(25,293)	(11,270)
	(31,468)	(16,888)
Net finance income and costs	(30,233)	(15,531)

Notes to the financial statements (continued)
For the year ended 31 March 2024

9. Tax

a) Analysis of tax expense in the year:

Group

	Year ended 2024 £'000	*Year ended 2023 £'000*
Current tax:		
UK corporation tax on profits for the year	787	(110)
Adjustments in respect of previous years	-	15
	787	(95)
Foreign tax	701	862
Total current tax	1,488	767
Deferred tax:		
Origination and reversal of timing differences	(1,899)	(6,900)
Effect of future changes in tax rates	-	(1,793)
Adjustments in respect of prior years	(999)	(1,825)
Total deferred tax (note 25)	(2,898)	(10,518)
Total tax expense for the year (note 9(b))	(1,410)	(9,751)

b) The charge for the year can be reconciled to the (loss)/profit in the income statement as follows:

Group

	Year ended 2024 £'000	*Year ended 2023 £'000*
Profit/(loss) on ordinary activities before tax	6,139	(50,650)
Tax at the UK corporation tax rate of 25% (2023: 19%)	1,535	(9,624)
Effects of:		
Tax effect of share of results of associates	(895)	(1,853)
Tax effect of income not taxable in determining taxable profit	-	-
Effect of future change in tax rates	-	(1,945)
Other differences	(736)	811
Fixed asset differences	226	6,059
Adjustments to tax charge in respect of previous periods	(889)	(1,657)
Tax effect of utilisation of tax losses not previously recognised	408	(518)
Change in unrecognised deferred tax assets	272	(350)
Effect of different rates of subsidiaries operating in other jurisdictions	(1,331)	(675)
Tax income for the year (note 9(a))	(1,410)	(9,751)

Notes to the financial statements (continued)

For the year ended 31 March 2024

9. Tax (continued)

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised in other comprehensive income:

	Year ended 2024 £'000	*Year ended 2023 £'000*
Deferred tax relating to items that will not be reclassified to profit or loss	6,894	6,633
Tax relating to items that may be reclassified to profit or loss	44	925
	6,938	7,558

The applicable tax rate has changed from 19% to 25% from 1 April 2023 following the substantive enactment of the Finance Act 2023.

Global minimum top-up tax

The Group is within the scope of the Organization for Economic Cooperation and Development (OECD) Pillar Two model rules. Pillar Two legislation has been enacted in the UK introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. The Group has applied the exception under IAS 12 to recognizing and disclosing information about deferred tax assets and liabilities related to top-up income taxes. Under the legislation, the Group is liable to pay a top-up tax for the difference between its effective tax rate per jurisdiction and the 15% minimum rate. The Group expects to be subject to the top-up tax in relation to its operations in Italy and Mauritius. The Group has performed an initial impact assessment of the potential exposure to Pillar Two income taxes and there is not expected to be a material impact on the Group's tax charge for the year ending 31 March 2024. The Group is closely monitoring developments to assess potential future implications and implementation efforts.

10. Dividends

	Year ended 2024 £'000	*Year ended 2023 £'000*
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the year ended 31 March 2023 of nil (2022: 100.9p) per ordinary share	-	7,062
Interim dividend for the year ended 31 March 2024 of nil (2023: nil) per ordinary share	-	-
	-	7,062

Notes to the financial statements (continued)

For the year ended 31 March 2024

11. Goodwill

Group

	Napolina	*Canning*	*PIA*	*Total*
	£'000	*£'000*	*£'000*	*£'000*
Cost:				
At 1 April 2022	18,519	25,928	628	45,075
At 31 March 2023	18,519	25,928	628	45,075
At 31 March 2024	18,519	25,928	628	45,075
Impairment				
At 1 April 2022	-	-	628	628
Impairment	11,150	-	-	11,150
At 31 March 2023	11,150	-	628	11,778
At 31 March 2024	11,150	-	628	11,778
Carrying Values:				
At 31 March 2024	7,369	25,928	-	33,297
At 31 March 2023	7,369	25,928	-	33,297
At 1 April 2022	18,519	25,928	-	44,447

Company

	Napolina	*Canning*	*Foods*	*Total*
	£'000	*£'000*	*£'000*	*£'000*
Cost:				
At 1 April 2022	18,519	25,928	874	45,321
At 31 March 2023	18,519	25,928	874	45,321
At 31 March 2024	18,519	25,928	874	45,321
Impairment				
At 1 April 2022	-	-	-	-
Charge for the year	11,150	-	-	11,150
At 31 March 2023	11,150	-	-	11,150
At 31 March 2024	11,150	-	-	11,150
Carrying Values:				
At 31 March 2024	7,369	25,928	874	34,171
At 31 March 2023	7,369	25,928	874	34,171
At 1 April 2022	18,519	25,928	874	45,321

Notes to the financial statements (continued)

For the year ended 31 March 2024

11. Goodwill (continued)

In accordance with IAS 36, goodwill is not amortised, but is reviewed annually for indications of impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the cash-generating units and the group of units are determined from value in use calculations using the most recent 5 year projections for each cash-generating unit. The group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next five years and extrapolates cash flows for the following five/ten years based on estimated growth rates that do not exceed the average long-term growth rate for the relevant markets.

There are a number of assumptions within each forecast and these have been revised in the year in light of the current economic environment which has resulted in continued estimates about the future. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the cash-generating units and the group of units. The growth rates are based on industry growth forecasts, specific to each cash-generating unit. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

Some of the Napolina branded products are manufactured at PIA (Princes Industrie Alimentari’s Foggia site). In understanding the underlying asset base of the PIA cash generating unit for the purpose of impairment test management, £7,407,000 of Napolina goodwill and £2,917,000 of the other intangible assets (Brand) have been included.

The group has conducted various sensitivity analyses on the impairment test of each cash-generating unit, see note 1.4. The directors have considered reasonably possible changes across all significant assumptions. The effects of climate change are not sufficiently certain to be quantifiable, but management will seek to include them in future years if they become clear.

Following the review of the cash-generating units, no impairment charge has been recognised against Napolina (2023: £11,150,000).

Canning CGU

Notwithstanding an improvement in the performance of the Canning CGU in the current and prior year, the Canning CGU continued to experience challenging macroeconomic conditions of inflation leading to commodity price increases. The estimated long-term growth rates beyond the forecast periods included in the impairment model are 1.5% (2023: 1.5%) per annum. Management consider this assumption to be conservative.

Detailed forecasts for a period of five years have been prepared and management concluded that the assets were not impaired. The key drivers of the forecast improvement in performance include additional volume leading to operational cost savings. At 31 March 2024, the CGU carrying value is £247,364,000 (2023: £228,317,000).

The critical assumptions underlying the detailed forecasts used in the impairment model are wide-ranging. The key assumptions that are subject to reasonably possible changes that could lead to a reduction in the headroom are the discount rate and volume increases. The discount rate used was 7.03% (2023: 8.49%). Assuming that movements in volume directly correlate to movements in pre-tax cash flows, volumes would have to fall to below 93.9% (2023: 97.9%) of the forecast volumes before the value in use falls below the CGU carrying value. The discount rate would need to increase by 9.67% to 16.7% on the base forecast cashflow model to reduce the headroom to breakeven. Based on the review performed management have concluded that the carrying value of the Canning CGU included in the financial statements is appropriate.

Notes to the financial statements (continued)

For the year ended 31 March 2024

12. Other intangible assets

Group

	Brands	*Licences*	*Total*
	£'000	*£'000*	*£'000*
Cost:			
At 1 April 2022	18,848	26,883	45,731
Additions	-	2,682	2,682
At 31 March 2023	18,848	29,565	48,413
Additions	-	210	210
At 31 March 2024	18,848	29,775	48,623
Amortisation:			
Balance at 31 March 2022	-	16,986	16,986
Charge for the year	-	3,133	3,133
Balance at 31 March 2023	-	20,119	20,119
Charge for the year	-	2,053	2,053
Balance at 31 March 2024	-	22,172	22,172
Carrying values:			
Balance at 31 March 2024	18,848	7,603	26,451
Balance at 31 March 2023	18,848	9,446	28,294
At 1 April 2022	18,848	9,897	28,745

Licences are amortised over their estimated useful lives, which is on average 15 years. Amortisation is charge to the income statement, within administrative expenses.

Brands are not amortised but are tested annually by an estimation of the value in use of the cash generating units to determine whether there is any indication the brands have suffered an impairment loss. Full details of the impairment review process are included in note 11.

The cash generating units are as follows:

Group

	Canning	*Napolina*	*Total*
	£'000	*£'000*	*£'000*
Cost and carrying value:			
At 31 March 2024	11,555	7,293	18,848

Notes to the financial statements (continued)

For the year ended 31 March 2024

12. Other intangible assets (continued)

Company

	Brands	*Licences*	*Total*
	£'000	*£'000*	*£'000*
Cost:			
At 1 April 2022	18,848	23,768	42,616
Transfer from property, plant and equipment	-	565	565
At 31 March 2023	18,848	24,333	43,181
Additions	-	356	356
At 31 March 2024	18,848	24,689	43,537
Amortisation:			
Balance at 31 March 2022	-	16,057	16,057
Charge for the year	-	1,551	1,551
Balance at 31 March 2023	-	17,608	17,608
Charge for the year	-	1,583	1,583
Balance at 31 March 2024	-	19,190	19,190
Carrying values:			
Balance at 31 March 2024	18,848	5,499	24,347
Balance at 31 March 2023	18,848	6,725	25,573
At 1 April 2022	18,848	7,711	26,559

Licences are amortised over their estimated useful lives, which is on average 15 years. Amortisation is charge to the income statement, within administrative expenses.

Brands are not amortised but are tested annually by an estimation of the value in use of the cash generating units to determine whether there is any indication the brands have suffered an impairment loss. Full details of the impairment review process are included in note 11.

The cash generating units are as follows:

Company

	Canning	*Napolina*	*Total*
	£'000	*£'000*	*£'000*
Cost and carrying value:			
At 31 March 2024	11,555	7,293	18,848

Notes to the financial statements (continued)

For the year ended 31 March 2024

13. Property, plant and equipment

Group	*Assets in the course of construction £'000*	*Land and buildings £'000*	*Plant, machinery & equipment £'000*	*Vehicles £'000*	*Total £'000*
Cost:					
At 1 April 2022	47,513	191,452	486,124	2,374	727,463
Additions	31,630	1,993	1,275	-	34,898
Transfers	(60,155)	7,417	52,509	229	-
Disposals	-	-	(335)	(49)	(384)
Impairment	(1,634)	(13,587)	(24,628)	(1,285)	(41,134)
Transferred to HFS (Note 20)	-	-	(6,322)	-	(6,322)
Exchange differences	161	3,131	6,214	104	9,610
At 31 March 2023	17,515	190,406	514,837	1,373	724,131
Additions	16,784	47	1,766	-	18,597
Transfers	(25,499)	1,327	24,022	150	-
Disposals	-	(3)	(7,076)	(262)	(7,341)
Exchange differences	(117)	(2,135)	(4,210)	(74)	(6,536)
At 31 March 2024	8,683	189,642	529,339	1,187	728,851
Accumulated depreciation:					
At 1 April 2022	-	52,624	229,700	1,933	284,257
Charge for the year	-	5,826	29,984	275	36,085
Disposals	-	-	(335)	(49)	(384)
Transferred to HFS (Note 20)	-	-	(6,243)	-	(6,243)
Exchange differences	-	1,123	3,831	87	5,041
At 31 March 2023	-	59,573	256,937	2,246	318,756
Charge for the year	-	5,962	32,964	254	39,180
Disposals	-	(1)	(7,564)	(247)	(7,812)
Exchange differences	-	(805)	(2,795)	(64)	(3,664)
At 31 March 2024	-	64,729	279,542	2,189	346,460
Carrying values:					
At 31 March 2024	8,683	124,913	249,797	(1,002)	382,391
At 31 March 2023	17,515	130,833	257,900	(873)	405,375
At 1 April 2022	47,513	138,828	256,424	441	443,206

Impairment losses recognised in the year

In addition to the impairment reviews completed on cash-generating units with goodwill and other intangible assets (see note 11), management have considered whether there are any other indicators of impairment are present. During the year, as the result of a strategic review of a manufacturing plant, the group carried out a review of the recoverable amount of that manufacturing plant and the related equipment. An impairment charge of £nil was identified in the year (2023: £41,134,000). We have considered the possibility of the reversals of impairments made last year however given the headroom, no impairment reversals were made. See note 1 for further details.

Notes to the financial statements (continued)

For the year ended 31 March 2024

13. Property, plant and equipment (continued)

Group (continued)

Assets pledged as security

There is a fixed and floating charge over certain assets of the group, including property, plant and equipment totalling £94,295,000 (2023: £91,606,000).

Company	***Assets in the course of construction £'000***	***Land and buildings £'000***	***Plant, machinery & equipment £'000***	***Total £'000***
Cost:				
At 1 April 2022	43,920	110,290	335,816	490,026
Additions	30,469	-	-	30,469
Transfer from assets under construction	(60,155)	7,124	53,031	-
Disposals	-	-	(335)	(335)
Impairment	(842)	(4,226)	(15,475)	(20,543)
Transferred to HFS (Note 20)	-	-	(6,322)	(6,322)
At 31 March 2023	13,392	113,188	366,716	493,296
Additions	16,359	-	-	16,359
Transfer from assets under construction	(25,042)	1,387	23,655	-
Disposals	-	-	(3,250)	(3,250)
At 31 March 2024	4,709	114,575	387,121	506,404
Accumulated depreciation:				
At 1 April 2022	-	20,861	131,130	151,991
Charge for the year	-	3,414	22,200	25,614
Disposals	-	-	(335)	(335)
Transferred to HFS (Note 20)	-	-	(6,243)	(6,243)
At 31 March 2023	-	24,275	146,752	171,027
Charge for the year	-	3,582	24,894	28,476
Disposals	-	-	(2,748)	(2,748)
At 31 March 2024	-	27,857	168,898	196,755
Carrying values:				
At 31 March 2024	4,709	86,718	218,222	309,649
At 31 March 2023	13,392	88,913	219,964	322,269
At 1 April 2022	43,920	89,429	204,686	338,035

In the opinion of the directors, the open market value of the group's and company's interest in land and buildings is not materially different to the book value.

Impairment losses recognised in the year

In addition to the impairment reviews completed on cash-generating units with goodwill and other intangible assets (see note 11), management have considered whether there are any other indicators of impairment are present. During the year, as the result of a strategic review of a manufacturing plant, the group carried out a review of the recoverable amount of that manufacturing plant and the related equipment. An impairment charge of £nil was identified in the year (2023: £20,543,000). See note 1 for further details.

Notes to the financial statements (continued)

For the year ended 31 March 2024

13. Property, plant and equipment (continued)

Details of split between freehold and long leasehold property are as follows:

	Group		*Company*	
	2024	***2023***	***2024***	***2023***
	£'000	***£'000***	***£'000***	***£'000***
Freehold	85,058	89,575	48,147	49,036
Long leasehold	39,855	41,258	38,571	39,877
	124,913	130,833	86,718	88,913

14. Investment property

Company	***Investment property £'000***
Cost:	
At 1 April 2022	7,345
Additions	207
At 31 March 2023	7,552
Additions	44
At 31 March 2024	7,596
Depreciation:	
At 1 April 2022	3,669
Charge for the year	182
At 31 March 2023	3,851
Charge for the year	205
At 31 March 2024	4,056
Carrying values:	
At 31 March 2024	3,540
At 31 March 2023	3,701
At 1 April 2022	3,676

In the opinion of the directors the fair value of the company's investment property at 31 March 2024 is not materially different to the book value. This has been arrived at on the basis of a valuation on 4 April 2023 by Halls (Holdings) Limited, an independent valuer with experience in the location and class of investment property being valued. The valuation conforms to International Valuation Standards. The method of determining fair value was derived using recent comparable market transaction on arms length terms at the time of the valuation and based on normal assumptions applied in carrying out similar valuation. There are no restrictions on the realisability of investment property.

The property rental income earned by the company from its investment property, which is leased out under an operating lease, amounted to 2024: £nil (2023: £nil). See note 28.

Notes to the financial statements (continued)
For the year ended 31 March 2024

15. Subsidiaries

The subsidiary undertakings of Princes Limited, all of which have been included in these consolidated financial statements, are as follows:

Subsidiary undertakings	*Registered No*	*Place of business and registered office*	*Ordinary holding*	*Proportion of ownership interests and voting rights held*	*Nature of business*
Princes Tuna (Mauritius) Limited	-	PO Box 131, New Trunk Road, Riche Terre, Port Louis, Republic of Mauritius	Direct	51%	Processing & packaging of tuna fish
Indico Canning Limited	-	Marine Road, Port Louis, Republic of Mauritius	Indirect	68%	Processing & packaging
Princes Foods BV	-	Boompjes 40, PO Box 19157, 3001 BD, Rotterdam, Holland	Direct	100%	Distribution of food products
Princes Industrie Alimentari Srl	-	Srl Localita Incoronata Zona ASI 71122 Foggia (FG), Italy	Direct	100%	Production of ambient tomato and pulse products
West Yorkshire Industrial Estates (Management) Limited	01570526	Royal Liver Building, Pier Head, Liverpool, L3 1NX, England & Wales	Direct	56%	Estate management
Princes Holding Rotterdam BV	-	Boompjes 40, PO Box 19157, 3001 BD, Rotterdam, Holland	Direct	100%	Trademark Holding
Abbey Foods (Liverpool) Limited	3706041	England & Wales*	Direct	100%	Dormant
Barraclough (1996) Limited	2528484	England & Wales*	Direct	100%	Dormant
Beta Foods Limited	3376466	England & Wales*	Direct	100%	Dormant
C Shippam Limited	3403946	England & Wales*	Direct	100%	Dormant
Cima Foods Limited	1694576	England & Wales*	Direct	100%	Dormant
Crosse & Blackwell Ltd	564125	England & Wales*	Direct	100%	Dormant
Gee Bee Limited	3046293	England & Wales*	Direct	100%	Dormant
Jack L. Israel Limited	03046306	England & Wales*	Indirect	100%	Dormant
Leon Frenkel Limited	246315	England & Wales*	Direct	100%	Dormant
Napolina Limited	04186193	England & Wales*	Direct	100%	Dormant
Princes Foods (1989) Limited	1120353	England & Wales*	Direct	100%	Dormant
Princes Foods Limited	158330	England & Wales*	Indirect	100%	Dormant
Princes Soft Drinks Limited	2295092	England & Wales*	Direct	100%	Dormant
Well Well Well (UK) Limited	2502960	England & Wales*	Direct	100%	Dormant

*The dormant subsidiaries are all registered at Royal Liver Building, Pier Head, Liverpool, L3 1NX.

All dormant companies, except Princes Foods Limited, were dissolved on 18 June 2024. Princes Foods Limited is due to be dissolved on 2 July 2024.

Notes to the financial statements (continued)

For the year ended 31 March 2024

15. Subsidiaries (continued)

Company	***Subsidiary Undertakings £'000***
Cost:	
At 1 April 2021	258,796
Additions	15,832
At 31 March 2023	274,628
At 31 March 2024	274,628
Provisions for impairment	
At 1 April 2021	(144,788)
Impairment	(13,418)
At 31 March 2023	(158,206)
Impairment	(83,368)
At 31 March 2024	(241,574)
Carrying values:	
At 31 March 2024	33,054
At 31 March 2023	116,422
At 1 April 2021	114,008

Additions relate to the recapitalisation of Princes Italian subsidiary Princes Industrie Alimentari SRL.

At a company level, management have reviewed the carrying value of investments. The impairment charge recognised in the year ensures that the carrying value of investments in subsidiary undertakings does not exceed the expected value of each subsidiary, based on discounted cash flow forecasts. The impairment in the year which relates to Princes Italian subsidiary Princes Industrie Alimentari SRL was £13,894,000 (2023: £13,418,000). This impairment was arrived at by comparing the recoverable amount for the PIA CGU against the investment amount.

Of the remaining £69,474,000 impairment recognised in the year, this is the impairment of the dormant companies as a result of a transaction step plan to move the assets of these businesses to Princes Limited. It is not indicative of events in the prior year.

The reconciliation of non-controlling interests in note 33 includes an analysis of the profit or loss allocated to non-controlling interests of each subsidiary where the non-controlling interest is material to the group.

Notes to the financial statements (continued)

For the year ended 31 March 2024

16. Interests in associates

Details of the group's associate at the end of the reporting period are as follows:

Name of associate	*Place of business and registered office*	*Country of incorporation*	*Ordinary holding*	*Proportion of ownership interests and voting rights held*	*Nature of business*
Marine Biotechnology Products Limited	IBL House, Caudan, Port Louis, Republic of Mauritius	Mauritius	Indirect	33%	Processing of fish meal
Cawston Press Limited	Timsons Business Centre, Bath Road, Kettering, Northants, England, NN16 8NQ	United Kingdom	Indirect	8%	Wholesale of fruit and vegetable juices, mineral water and soft drinks

The associates are accounted for using the equity method in these consolidated financial statements as set out in the group accounting policies in note 1.3. Shareholding relates to Ordinary shares.

The summarised financial information represents amounts in accordance with IFRSs, adjusted by the group for equity accounting purposes.

	Year ended 2024 £'000	*Year ended 2023 £'000*
The Group's share of profit from continuing operations	393	309
Dividends paid	(1,299)	-
Exchange differences	136	79
The Group's share of total comprehensive income	(770)	388
Aggregate carrying amount of the Group's interests in associates	9,248	10,018

Notes to the financial statements (continued)

For the year ended 31 March 2024

17. Investment in joint venture

The group has a 50% (2023: 50%) interest in a joint venture, Edible Oils Limited. All of Princes Limited's shareholding relates to ordinary shares. The principal activity of Edible Oils Limited is the processing of edible oils and the company is incorporated in England and Wales, with a registered office and principal place of business at Royal Liver Building, Pier Head, Liverpool, L3 1NX. The activities of the joint venture are strategic to the group's activities.

The contractual arrangement provides the group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for liabilities of the joint arrangement resting primarily with Edible Oils Limited. Under IFRS 11 this joint arrangement is classified as a joint venture and has been included in the consolidated financial statements using the equity method.

	2024	***2023***
	£'000	***£'000***
Current assets	82,684	73,401
Non-current assets	58,899	61,530
Current liabilities	(42,685)	(36,456)
Non-current liabilities	(5,089)	(6,829)
Net assets (100%)	93,809	91,646
Group share of net assets (50%)	46,905	45,823

Summarised income statement and statement of comprehensive income:

	2024	***2023***
	£'000	***£'000***
Revenues	312,319	383,569
Profit for the year (continuing operations)	7,110	19,596
Total comprehensive income for the year (continuing operations)	7,163	19,499
Group share of total comprehensive income (50%)	3,582	9,750
Dividends paid to group from joint venture	2,500	7,500

The above profit (loss) for the year include the following:

	2024	***2023***
	£'000	***£'000***
Depreciation and amortisation	3,883	3,805
Interest (income) / expense	(584)	(739)
Income tax credit	(4,052)	(4,993)

The joint venture had no other contingent liabilities or capital commitments as at 31 March 2024 (2023: same), except as disclosed in note 29. Edible Oils Limited cannot distribute its profits without the consent from the two venture partners.

Notes to the financial statements (continued)
For the year ended 31 March 2024

18. Inventories

	Group		Company	
	2024	*2023*	*2024*	*2023*
	£'000	*£'000*	*£'000*	*£'000*
Raw materials and consumables	100,585	115,536	49,927	58,138
Finished goods and goods for resale	248,939	292,296	123,964	157,627
	349,524	407,832	173,891	215,765

The cost of inventories recognised as an expense during the year in respect of continuing operations was £1,264,641,000 (2023: £1,339,379,000).

Inventories of £nil (2023: £nil) are expected to be recovered after more than twelve months.

The carrying value of inventories is not materially different to its replacement value.

Inventories with a carrying amount of £52,943,000 (2023: £52,560,000) have been pledged with a fixed floating charge over the assets of the respective subsidiary entity for certain of the group's bank overdrafts.

19. Trade and other receivables

Non-current assets	Group		Company	
	2024	*2023*	*2024*	*2023*
	£'000	*£'000*	*£'000*	*£'000*
Amounts owed by subsidiary undertakings	-	-	77,063	79,336

Current assets	*2024*	*2023*	*2024*	*2023*
	£'000	*£'000*	*£'000*	*£'000*
Trade receivables	219,444	216,852	169,583	164,111
Amounts owed by parent undertakings	-	5,368	-	22
Amounts owed by subsidiary undertakings	-	-	61,740	75,062
Amounts owed by related parties (note 29)	1,998	2,012	43	48
Other receivables	20,187	16,835	15,376	12,320
Prepayments	14,206	13,480	13,776	12,702
	255,835	254,547	260,518	264,265

Ageing of past due but not impaired receivables:

	2024	*2023*	*2024*	*2023*
	£'000	*£'000*	*£'000*	*£'000*
31-60 days	17,045	7,255	9,823	4,490
61-90 days	2,640	812	139	762
91-120 days	754	791	268	687
Total	20,439	8,858	10,230	5,939

Notes to the financial statements (continued)

For the year ended 31 March 2024

19. Trade and other receivables (continued)

Trade receivables

The credit risk associated with receivables for the group are as per the directors' report, with credit risk management as per note 35. Group policies in managing credit risk are designed to reduce exposure to risks and minimise any losses and include dealing with creditworthy counterparties and the use of credit ratings provided by rating agencies which are applied to counterparties.

All intergroup trade payables and receivables are repayable on demand and are interest free.

The group's largest 10 customers accounted for 64% of trade receivables as at 31 March 2024 (2023: 71%).

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

20. Assets held for sale

	Group		*Company*	
	2024	***2023***	***2024***	***2023***
	£'000	***£'000***	***£'000***	***£'000***
Non-current assets held for sale	-	79	-	79

During the year, the sale of the Bradford machinery which sat in assets held for sale in the prior year was completed.

21. Trade and other payables

	Group		*Company*	
	2024	***2023***	***2024***	***2023***
	£'000	***£'000***	***£'000***	***£'000***
Trade payables	113,117	129,314	49,312	63,080
Other payables	3,850	3,893	2,263	2,160
Other taxes and social security costs	2,330	2,604	2,646	2,381
Accruals	76,652	71,558	59,880	58,861
Amounts due to parent undertakings	73	47	3,127	1,216
Amounts due to subsidiary undertakings	-	-	15,248	27,417
Amounts due to other group undertakings	-	7,343	73	7,390
Amounts due to related parties (note 29)	45,734	39,045	45,776	37,008
Total trade and other payables	241,756	253,804	178,325	199,513

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

The directors consider that the carrying amount of trade payables approximates to their fair value.

Notes to the financial statements (continued)
For the year ended 31 March 2024

22. Borrowings

	Group		*Company*	
	2024	***2023***	***2024***	***2023***
	£'000	***£'000***	***£'000***	***£'000***
Unsecured borrowing at amortised cost				
Bank overdrafts	58,047	135,285	48,138	111,259
Loans from subsidiary undertakings	-	-	4,540	51,109
Amounts due to parent undertakings and other group companies	500,765	492,883	500,765	492,883
Total unsecured borrowings	558,812	628,168	553,443	655,251
Secured borrowing at amortised cost				
Bank loans	1,219	3,760	-	-
Total borrowings	560,031	631,928	553,443	655,251
Amount due for settlement within 12 months	364,964	421,355	356,226	394,823
Amount due for settlement after 12 months	195,067	210,573	197,217	260,428

Analysis of borrowings by currency:

	Group			
	Sterling	***Euros***	***Other****	***Total***
	£'000	***£'000***	***£'000***	***£'000***
At 31 March 2024				
Bank overdrafts	50,104	5,871	2,072	58,047
Bank loans	-	1,219	-	1,219
Amounts due to parent undertakings and other group companies	372,500	128,265	-	500,765
	422,604	135,355	2,072	560,031
At 31 March 2023				
Bank overdrafts	107,900	25,543	1,842	135,285
Bank loans	-	3,760	-	3,760
Amounts due to parent undertakings and other group companies	342,500	150,383	-	492,883
	450,400	179,686	1,842	631,928

* Other currencies comprise Polish Zloty and US Dollar balances.

Notes to the financial statements (continued)

For the year ended 31 March 2024

22. Borrowings (continued)

Analysis of borrowings by currency:

	Company			
	Sterling £'000	***Euros £'000***	***Other* £'000***	***Total £'000***
At 31 March 2024				
Bank overdrafts	40,195	5,871	2,072	48,138
Loans from subsidiary undertakings	4,540	-	-	4,540
Amounts due to parent undertakings and other group companies	372,500	128,265	-	500,765
	417,235	134,136	2,072	553,443
At 31 March 2023				
Bank overdrafts	107,900	1,517	1,842	111,259
Loans from subsidiary undertakings	51,109	-	-	51,109
Amounts due to parent undertakings and other group companies	342,500	150,383	-	492,883
	501,509	151,900	1,842	655,251

* Other currencies comprise Polish Zloty and US Dollar balances.

The other principal features of the group's borrowings are as follows:

Bank borrowings are made against short – term or overdraft facilities, all at commercial rates of interest.

Bank overdrafts are repayable on demand. Overdrafts of £nil (2023: £nil) have been secured with a fixed floating charge over the assets of the respective subsidiary entity.

Included in amounts owed by the group and company to parent undertakings and other group companies is £293,198,000 (2023: £271,064,000) relating to short–term borrowings and £51,000,000 (2023: £63,500,000) repayable by annual instalments from August 2021 – August 2027 on which interest is based on 3 months SONIA and £61,567,000 (2023: £63.319,000) repayable by 2 May 2029 on which interest is based on 3 months Euribor.

At the year end, the group's aggregate borrowing facilities total £693,551,000 (2023: £687,093,000), of which £138,923,000 is available for draw down (2023: £62,413,000).

All borrowings due to parent and other group companies are secured under a guarantee from Mitsubishi Corporation.

Notes to the financial statements (continued)

For the year ended 31 March 2024

22. Borrowings (continued)

Changes in liabilities arising from financing activities

Group	*2023 £'000*	*Financing Cash Flows (i)*	*Non Cash Changes* *New Leases*	*Foreign Exchange*	*Other (ii)*	*2024 £'000*
Bank loans	3,760	(2,155)		(386)		1,219
Amounts due to parent undertakings and other group companies	492,883	11,880		(3,998)		500,765
Lease liabilities (Note 28)	62,766	(13,124)	8,165	(217)	(222)	57,368
Total	559,409					559,352

	2022 £'000	*Financing Cash Flows (i)*	*Non Cash Changes* *New Leases*	*Foreign Exchange*	*Other (ii)*	*2023 £'000*
Bank loans	10,385	(7,154)		529		3,760
Amounts due to parent undertakings and other group companies	487,131	(266)		6,018		492,883
Lease liabilities (Note 28)	67,175	(13,605)	8,477	538	181	62,766
Total	564,691					559,409

Company	*2023 £'000*	*Financing Cash Flows (i)*	*Non Cash Changes* *New Leases*	*Foreign Exchange*	*Other (ii)*	*2024 £'000*
Amounts due to parent undertakings and other group companies	492,883	11,880		(3,998)		500,765
Lease liabilities (Note 28)	54,987	(10,961)	6,650	(3)	(157)	50,516
Total	547,870					551,281

	2022 £'000	*Financing Cash Flows (i)*	*Non Cash Changes* *New Leases*	*Foreign Exchange*	*Other (ii)*	*2023 £'000*
Amounts due to parent undertakings and other group companies	487,131	(266)		6,018		492,883
Lease liabilities (Note 28)	57,719	(9,155)	6,481	(0)	(58)	54,987
Total	544,850					547,870

(i) The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

(ii) Other changes include interest accruals and payments, Lease Modifications and Lease Terminations

23. Capital commitments

	Group *2024 £'000*	*Group* *2023 £'000*	*Company* *2024 £'000*	*Company* *2023 £'000*
Amounts contracted but not provided for	13,366	9,495	13,205	5,252

All capital commitments relate to the acquisition of property, plant and equipment.

Notes to the financial statements (continued)

For the year ended 31 March 2024

24. Derivative financial instruments

	Current		*Non-current*	
Group	***2024***	***2023***	***2024***	***2023***
	£'000	***£'000***	***£'000***	***£'000***
Derivative financial assets				
Derivatives that are designated and effective as hedging instruments carried at fair value:				
- Forward foreign currency contracts	1,180	1,956	23	3
Total derivative financial assets	1,180	1,956	23	3
Derivative financial liabilities				
Derivatives that are designated and effective as hedging instruments carried at fair value:				
- Forward foreign currency contracts	(3,063)	(3,920)	(20)	(82)
Total derivative financial liabilities	(3,063)	(3,920)	(20)	(82)

	Current		*Non-current*	
Company	***2024***	***2023***	***2024***	***2023***
	£'000	***£'000***	***£'000***	***£'000***
Derivative financial assets				
Derivatives that are designated and effective as hedging instruments carried at fair value:				
- Forward foreign currency contracts	375	689	23	1
Total derivative financial assets	375	689	23	1
Derivative financial liabilities				
Derivatives that are designated and effective as hedging instruments carried at fair value:				
- Forward foreign currency contracts	(2,650)	(2,993)	(20)	(82)
Total derivative financial liabilities	(2,650)	(2,993)	(20)	(82)

Forward foreign currency contracts are valued using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

Foreign exchange risk arises when group enter into transactions denominated in a currency other than their functional currency. To cover this risk treasury will enter into a matching forward foreign exchange contract with a reputable bank.

Further details of derivative financial instruments are provided in note 35.

Notes to the financial statements (continued)

For the year ended 31 March 2024

25. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the group and movements thereon during the current and prior reporting period.

Group	Accelerated tax depreciation £'000	Revaluation of financial assets £'000	Retirement benefit obligations £'000	*Total* £'000
At 1 April 2022	33,075	391	13,513	46,979
Charge to profit or loss	(6,961)	-	213	(6,748)
Charge to other comprehensive income	-	(902)	(6,633)	(7,535)
Exchange differences	(23)	-	-	(23)
Other differences	(77)			(77)
Adjustments in respect of previous years	(1,823)			(1,823)
Effect of change in tax rate:				
- Income statement	(1,946)	-	-	(1,946)
- Other comprehensive income	-	-	-	-
At 31 March 2023	22,245	(511)	7,093	28,827
Charge to profit or loss	(2,110)	-	211	(1,899)
Charge to other comprehensive income	-	(45)	(6,894)	(6,939)
Exchange differences	89	-	-	89
Other differences	(2)			(2)
Adjustments in respect of previous years	(999)	-	-	(999)
Effect of change in tax rate:				
- Income statement	-	-	-	-
- Other comprehensive income	-	-	-	-
At 31 March 2024	19,223	(556)	410	19,077

Company	Accelerated tax depreciation £'000	Revaluation of financial assets £'000	Retirement benefit obligations £'000	*Total* £'000
At 1 April 2022	33,496	511	13,696	47,703
Charge to profit or loss	(5,890)	-	213	(5,677)
Charge to other comprehensive income	-	(1,107)	(6,630)	(7,737)
Other differences	(75)	-	-	(75)
Adjustments in respect of previous years	(1,801)			(1,801)
Effect of change in tax rate:				
- Income statement	(1,793)	-	-	(1,793)
- Other comprehensive income	-	-	-	-
At 31 March 2023	23,937	(596)	7,279	30,620
Charge to profit or loss	(3,025)	-	211	(2,814)
Charge to other comprehensive income	-	41	(6,826)	(6,785)
Other differences	(100)			(100)
Adjustments in respect of previous years	(1,170)	-	-	(1,170)
Effect of change in tax rate:				
- Income statement	-	-	-	-
- Other comprehensive income	-	-	-	-
At 31 March 2024	19,642	(555)	664	19,751

Notes to the financial statements (continued)

For the year ended 31 March 2024

25. Deferred tax (continued)

Deferred tax assets and liabilities are offset where the group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Group		*Company*	
	2024	*2023*	*2024*	*2023*
	£'000	*£'000*	*£'000*	*£'000*
Deferred tax asset	2,818	588	-	672
Deferred tax liability	(21,895)	(29,415)	(19,751)	(31,292)
Total deferred tax liability	(19,077)	(28,827)	(19,751)	(30,620)

At the balance sheet date, the group has unused tax losses of £105,034,000 (2023: £110,740,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the losses as it is not considered probable that there will be future taxable profits available. All losses may be carried forward indefinitely.

The deferred tax asset relates to the derivatives position at year end thus is deemed recoverable.

Deferred tax is calculated using a tax rate of 25% (2023: 25%), see further details in note 1.

26. Provisions

Group and company	*Leasehold dilapidations £'000*
At 1 April 2023	904
Additional provision in the year	67
At 31 March 2024	971
Current	-
Non-current	971
	971

Leasehold dilapidations relate to the estimated cost of returning a leasehold property to its original state at the end of the lease in accordance with the lease terms. The cost is recognised as depreciation of leasehold improvements over the remaining term of the lease. The main uncertainty relates to estimating the cost that will be incurred at the end of the lease.

27. Share capital

	2024	*2023*
	£'000	*£'000*
Authorised		
29,600,000 ordinary shares of £1 each	29,600	29,600
Issued and fully paid		
7,000,000 ordinary shares of £1 each	7,000	7,000

The company has one class of ordinary shares which carry no right to fixed income.

Notes to the financial statements (continued)

For the year ended 31 March 2024

28. Leases

Right of use assets

Group

	Land and buildings £'000	*Plant, machinery & equipment £'000*	*Vehicles £'000*	*Total £'000*
Cost:				
At 1 April 2022	59,892	31,558	2,815	94,265
Additions and remeasurements	86	7,579	1,191	8,856
Disposals	(1,131)	(9,106)	(1,064)	(11,301)
Impairment	(846)	(4,506)	(109)	(5,461)
Exchange differences	398	444	55	897
At 31 March 2023	58,399	25,969	2,888	87,256
Additions and remeasurements	1,613	6,040	373	8,026
Disposals	(268)	(1,368)	(1,402)	(3,038)
Exchange differences	(214)	(134)	24	(324)
At 31 March 2024	59,530	30,507	1,883	91,920
Accumulated depreciation:				
At 1 April 2022	11,741	13,839	1,483	27,063
Charge for the year	5,182	6,326	1,200	12,708
Disposals	(1,048)	(9,107)	(1,023)	(11,178)
Exchange differences	138	330	27	495
At 31 March 2023	16,013	11,388	1,687	29,088
Charge for the year	4,954	6,464	745	12,163
Disposals	(266)	(1,381)	(1,252)	(2,899)
Exchange differences	(77)	(82)	(17)	(176)
At 31 March 2024	20,624	16,389	1,163	38,176
Carrying values:				
At 31 March 2024	38,906	14,118	720	53,744
At 31 March 2023	42,386	14,581	1,201	58,168

Notes to the financial statements (continued)
For the year ended 31 March 2024

28. Leases (continued)

Company	***Land and buildings £'000***	***Plant, machinery & equipment £'000***	***Vehicles £'000***	***Total £'000***
Cost:				
At 1 April 2022	50,756	21,343	1,623	73,722
Additions and remeasurements	-	5,493	987	6,480
Disposals	-	(1,302)	(800)	(2,102)
Impairment	(846)	(4,243)	(57)	(5,146)
At 31 March 2023	49,910	21,291	1,753	72,954
Additions and remeasurements	806	5,770	49	6,625
Disposals	-	(476)	(950)	(1,426)
At 31 March 2024	50,716	26,585	852	78,153
Accumulated depreciation:				
At 1 April 2022	8,568	6,332	882	15,782
Charge for the year	4,007	3,419	827	8,253
Disposals	-	(1,302)	(767)	(2,069)
At 31 March 2023	12,575	8,449	942	21,966
Charge for the year	4,012	5,934	468	10,414
Disposals	-	(473)	(818)	(1,291)
At 31 March 2024	16,587	13,910	592	31,089
Carrying values:				
At 31 March 2024	34,129	12,675	260	47,064
At 31 March 2023	37,335	12,842	811	50,988

Lease Liabilities

Lease liabilities are recognised in the balance sheet as follows:

	Group		***Company***	
	2024 £'000	***2023 £'000***	***2024 £'000***	***2023 £'000***
Current liabilities	10,767	10,820	9,169	8,660
Non-current liabilities	46,601	51,946	41,347	46,327
	57,368	62,766	50,516	54,987

Notes to the financial statements (continued)
For the year ended 31 March 2024

28. Leases (continued)

Amounts recognised in profit and loss

	Group		*Company*	
	2024	***2023***	***2024***	***2023***
	£'000	***£'000***	***£'000***	***£'000***
Depreciation expense on right-of-use assets	12,163	12,708	10,413	8,253
Interest expense on lease liabilities	1,339	1,515	1,184	1,313
	13,502	14,223	11,597	9,566

Lease payments include rentals payable by the group for certain of its office properties, plant and equipment and vehicles. The lease terms vary in duration from 1 to 15 years and are all priced at prevailing market rates.

In determining the lease term, all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise termination option, are considered. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or terminated).

The group had no expenses related to low-value or short term leases included in the profit and loss for the year ending 31st March 2024 (2023: same).

The group does not have any sub-lease agreements, variable lease payment terms, committed but not yet commenced leases that have not been reflected in lease liabilities or short term lease commitments at 31st March 2024.

See note 35 for a maturity analysis of lease liabilities.

The total cash outflow for leases in the period was £11,264,000 (2023: £15,120,000)

Operating leases - lessor
Property rental income earned during the year was £nil (2023: £nil). The property held is leased to Edible Oils Limited, a joint venture of the group which is committed for the next 35 years. The lessee paid a premium at the start of the lease in March 2006 which is being amortised over the length of the lease of 51 years which was £96,000 during the year (2023: £96,000). The lessee does not have an option to purchase the property at the expiry of the lease period.

The minimum rent receivables under non-cancellable operating leases are as follows:

	2024	***2023***
	£'000	***£'000***
Not later than one year	96	96
1-2 years	96	96
2-3 years	96	96
3-4 years	96	96
4-5 years	96	96
After five years	2,688	2,784
	3,168	3,264

Notes to the financial statements (continued)

For the year ended 31 March 2024

29. Related party transactions

Balances and transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in the group note. During the year, group companies entered into the following transactions with related parties and other associated companies:

Group	**Sale of goods and provision of services**		**Purchase of goods**	
	2024	***2023***	***2024***	***2023***
	£'000	***£'000***	***£'000***	***£'000***
Edible Oils Limited	6,948	5,202	312,319	383,569
Marine Biotechnology Products Limited	2,483	2,487	-	-
Indico Canning Limited	3,111	3,116	5,416	5,424

	Amounts owed by related parties		**Amounts owed to related parties**	
	2024	***2023***	***2024***	***2023***
	£'000	***£'000***	***£'000***	***£'000***
Edible Oils Limited	-	-	45,592	38,903
Marine Biotechnology Products Limited	421	433	-	-
Indico Canning Limited	1,577	1,579	142	142
	1,998	2,012	45,734	39,045

During the year, the company entered into the following transactions with related parties and other associated companies:

Company	**Sale of goods and provision of services**		**Purchase of goods**	
	2024	***2023***	***2024***	***2023***
	£'000	***£'000***	***£'000***	***£'000***
Edible Oils Limited	3,673	3,531	237,244	242,486
Princes Tuna (Mauritius) Limited	63,372	60,045	-	-

	Amounts owed by related parties		**Amounts owed to related parties**	
	2024	***2023***	***2024***	***2023***
	£'000	***£'000***	***£'000***	***£'000***
Edible Oils Limited	-	-	31,811	25,825
Princes Tuna (Mauritius) Limited	43	48	13,965	11,183
	43	48	45,776	37,008

All transactions were in the normal course of business and the prices for each individual purchase and sale were at arm's length prices. No interest accrues on trading balances.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

30. Contingent liabilities

The group and company have issued general indemnities in the normal course of business; however, none are considered material for disclosure in the financial statements (2023: same).

Notes to the financial statements (continued)
For the year ended 31 March 2024

31. Retirement benefit schemes

Defined benefit plans

The group operates a number of defined benefit pension schemes, which are funded by the payment of contributions to independently administered trust funds. The assets of these schemes are held separately from those of the group. The trustees of the pension funds are required by law to act in the interest of the funds and of all relevant stakeholders in the schemes. The trustees of the funds are responsible for the investment policy with regards to the assets of the funds. The pension cost figures included in the financial statements relating to the pension schemes are stated in accordance with IAS 19 – Employee Benefits. The schemes provide final salary based benefits to the members.

The principal pension schemes operated by the group are the Princes Pension Schemes, which are operated by the company. Princes Tuna (Mauritius) Limited, a subsidiary undertaking, also operates a defined benefit scheme and retirement gratuities scheme which has an overall deficit of £3,678,000 (2023: £3,357,000) and is therefore considered by the directors to be insignificant compared to the overall surplus within the group.

The pension costs are determined with the advice of independent qualified actuaries on the basis of triennial valuations using the attained age method.

The schemes expose the group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk. These risks, over time, will affect the schemes' total cost and will depend on a number of factors, including the amount of benefits the scheme pays, the number of people paid benefits, the period of time over which benefits are paid, plan expenses and the amount earned on any assets invested to pay benefits. These amounts and other variables are uncertain and unknowable at the valuation date and therefore summary information, estimates, or simplifications of estimates are used to carry out valuation.

The valuation used for IAS 19 purposes has been based on the most recent actuarial valuations and updated by the scheme actuaries to take account of the requirements of IAS 19 in order to assess the liabilities of the schemes at 31 March 2024 and 31 March 2023. Scheme assets are stated at their market values at the respective balance sheet dates.

The pension schemes follow a low risk investment strategy, predominately investing in gilts and corporate bonds, which is broadly aligned to the nature of the schemes' liabilities.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Group	***2024***	***2023***
Key assumptions:		
Discount rate	5.23%	5.48%
Expected rate salary increase	3.75%	4.00%
Average longevity at retirement age for pensioners retiring today (years)*		
- Male	21.4	21.7
- Female	24.6	24.8
Average longevity at retirement age for pensioners retiring in 20 years (years)*		
- Male	22.6	22.9
- Female	25.8	26.0
Expected rate of increase in pensions in payment	2.69%	2.70%
Expected rate of increase in deferred pensions	3.00%	3.00%
Inflation assumption - RPI	3.30%	3.48%

*Longevity assumptions:

Investigations have been carried out within the past three years into the mortality experience of the group's defined benefit schemes. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65, using weighted average life expectancy for mortality tables, are disclosed above.

Notes to the financial statements (continued)

For the year ended 31 March 2024

31. Retirement benefit schemes (continued)

Amounts recognised in income in respect of these defined benefit schemes are as follows:

Group	***2024***	***2023***
	£'000	***£'000***
Current service cost	(426)	(1,744)
Net interest income	1,235	1,357
Total costs recognised in the income statement	809	(387)

The current service costs have been included in the income statement as administrative expenses. The net interest income has been included within net finance costs (see note 8).

Amounts recognised in the statement of comprehensive income are as follows:

	2024	***2023***
	£'000	***£'000***
The return on plan assets	(34,900)	(77,900)
Changes in assumptions underlying the present value of scheme liabilities	6,457	51,335
Remeasurement of the net defined benefit asset	(28,443)	(26,565)

The amount included in the consolidated statement of financial position arising from the group's obligations in respect of the defined benefit retirement benefit schemes is as follows:

	2024	***2023***
	£'000	***£'000***
Present value of defined benefit obligations	(139,978)	(146,931)
Fair value of plan assets	139,004	172,689
Net (liability)/asset arising from the defined benefit obligation	(974)	25,758

	2024	***2023***
	£'000	***£'000***
Retirement benefit surplus	2,704	29,115
Retirement benefit obligations	(3,678)	(3,357)
Net (liability)/asset arising from the defined benefit obligation	(974)	25,758

The difference between the Princes Limited company only net pension asset of £2,704,000 (2023: £29,115,000) and the Princes Limited group net pension liability of £974,000 (2023: asset of £25,758,000) relates to the deficit on the Princes Tuna (Mauritius) Limited pension and retirement gratuities schemes. The directors do not consider it necessary to include the full disclosure for the Princes Limited company only position as the differences between the company and group balances are not significant.

The valuation at 31 March 2024 showed a decrease in the net surplus for the Princes Pension Schemes from £25,758,000 to a liability of £974,000. Normal employer contributions decreased from £924,000 to £773,000. The group expects to contribute £nil in 2024/25 in line with its agreement on contribution rates with the schemes' trustees.

Notes to the financial statements (continued)

For the year ended 31 March 2024

31. Retirement benefit schemes (continued)

Movements in the present value of defined benefit obligations were as follows:

Group	***2024***	***2023***
	£'000	***£'000***
Opening defined benefit obligation	146,931	205,249
Current service costs	514	459
Interest cost	6,934	5,717
Past service costs	(642)	613
Settlement loss	-	-
Contributions from scheme members	3	5
Actuarial gains and losses	(6,457)	(51,335)
Curtailments	-	-
Benefits paid	(7,019)	(14,081)
Exchange difference on foreign scheme	(286)	304
Closing defined benefit obligation	139,978	146,931

Of the actuarial gains and losses, this is split as follows:

	2024	***2023***
	£'000	***£'000***
Discount rate	(6,240)	(56,651)
Inflation	(244)	(4,633)
Mortality	(2,191)	(676)
Impact of new census data	-	-
Actual pension increases	2,218	10,625
Actuarial gains and losses	(6,457)	(51,335)

Movements in the fair value of scheme assets were as follows:

Group	***2024***	***2023***
	£'000	***£'000***
Opening fair value of plan assets	172,689	257,197
The return on plan assets (excluding amounts included in net interest income)	8,169	7,074
Actuarial gains and losses	(34,900)	(77,900)
Employer contributions	773	924
Member contributions	3	5
Benefits paid	(7,019)	(14,081)
Settlements	-	-
Administative expenses paid from plan assets	(554)	(672)
Exchange difference	(157)	142
Closing fair value of plan assets	139,004	172,689

Notes to the financial statements (continued)

For the year ended 31 March 2024

31. Retirement benefit schemes (continued)

The major categories and fair values of plan assets at the end of the reporting period for each category are as follows:

Group		***2024***			***2023***	
	Level 1	***Level 2 & 3***	***Total***	***Level 1***	***Level 2 & 3***	***Total***
	£'000	***£'000***	***£'000***	***£'000***	***£'000***	***£'000***
Cash and equivalents	6,093	-	6,093	4,685	-	4,685
Equity instruments:						
- Shares for a particular country or region	1,013	-	1,013	926	-	926
- Global shares	-	-	-	-	-	-
Subtotal equity	1,013	-	1,013	926	-	926
Debt instruments:						
- Global Bonds	-	-	-	-	97,323	97,323
- Bond for a particular country or region	-	691	691	-	63,837	63,837
- Other	-	1,023	1,023	-	5,919	5,919
Subtotal debt	-	1,714	1,714	-	167,079	167,079
	-	130,184	130,184	-	-	-
Total	7,106	131,898	139,004	5,611	167,079	172,690

The Life Insurance relates to the business entering into a buy in scheme with Aviva. As such, there are no invested assets as at 31 March 2024 due to the buy-in transaction which took place on 8 February 2024.

Significant actuarial assumptions for the determination of the funded status are discount rate, rate of inflation, expected salary increase and mortality. The sensitivity analysis, set out in the table below, has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Assumption	***Change in assumption***	***Impact on scheme assets and liabilities***
Discount rate	Decrease by 0.5%	Decrease by £92,000 (2022: Decrease by £19,704,000)
Rate of inflation	Increase by 0.5%	Decrease by £75,000 (2022: Decrease by £13,136,000)
Life expectancy	Increase by 1 year	Decrease by £36,000 (2022: Decrease by £6,363,000)

The duration used to set discount rate in years was 14.0-15.8 years (2023: 15.4-17.5 years)

Other retirement benefit plans

The group's Dutch subsidiary operates an insured retirement plan and a contributory retirement plan for eligible employees. All pension costs are funded as incurred and the total cost for the year was £883,000 (2023: £778,000).

Contributions payable during the year in respect of defined contribution schemes and included in the income statements for the year were £10,105,000 (2023: £9,498,000).

Notes to the financial statements (continued)

For the year ended 31 March 2024

32. Deferred revenue

	Group		*Company*	
	2024	***2023***	***2024***	***2023***
	£'000	***£'000***	***£'000***	***£'000***
Deferred lease income (1)	3,139	3,235	3,139	3,235
Other deferred income (2)	8	10	-	-
	3,147	3,245	3,139	3,235
Current	96	96	96	96
Non-current	3,051	3,149	3,043	3,139
	3,147	3,245	3,139	3,235

1. The deferred lease income included in the financial statements is owed by Princes Limited to Edible Oils and was paid in March 2005 and is being amortised over the life of the lease of 51 years.

2. Other deferred income relates to funds received from shareholders of West Yorkshire Industrial Estates, of which Princes Limited owns 56% (see note 15) for the express purpose of acquiring specific tangible assets. This deferred income is released to the income statement in line with the depreciation on the relevant tangible assets.

33. Non-controlling interest

	Princes Tuna Mauritius Ltd £'000
At 1 April 2022	(34,398)
Total comprehensive income	(1,767)
Dividends paid	-
Retranslation of subsidiary undertakings' net assets	(1,672)
At 1 April 2023	(37,837)
Total comprehensive income	(4,067)
Dividends paid	915
Retranslation of subsidiary undertakings' net assets	1,781
At 31 March 2024	(39,207)

Summarised financial information in respect of each of the group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Notes to the financial statements (continued)

For the year ended 31 March 2024

33. Non-controlling interest (continued)

Princes Tuna Mauritius Limited	***2024***	***2023***
	£'000	***£'000***
Current assets	97,228	89,157
Non-current assets	41,989	48,079
Current liabilities	(54,209)	(52,306)
Non-current liabilities	(5,155)	(6,133)
Total equity	79,853	78,797
Revenue	207,947	236,383
Profit for the year	6,081	5,811
Total comprehensive income attributable to owners of the company	4,233	1,839
Total comprehensive income attributable to non-controlling interests	4,067	1,767
Total comprehensive income for the year	8,300	3,606

34. Notes to the cash flow statement

Group	***2024***	***2023***
	£'000	***£'000***
(Loss)/profit for the year	7,549	(40,899)
Adjustments for:		
Share of profit of associates	(3,975)	(10,059)
Income tax expense	(1,410)	(9,751)
Finance costs	31,468	16,888
Finance income	(1,235)	(1,357)
Exchange losses	(349)	(478)
Depreciation of property, plant and equipment / right-of-use assets	51,343	48,793
Impairment charges on property, plant and equipment / right-of-use assets	-	46,595
Impairment charges on goodwill and intangibles	-	11,150
Gain on disposal of property, plant and equipment	(146)	-
Amortisation of intangible fixed assets	2,053	3,134
Adjustment for pension funding	(428)	959
Operating cash flows before movements in working capital	84,870	64,976
Decrease/(increase) in inventories	58,308	(85,003)
Increase in receivables	(1,223)	(27,458)
(Increase)/decrease in payables	(4,682)	42,154
Cash generated by operations	137,273	(5,332)
Income taxes paid	(7,335)	(339)
Interest paid	(31,468)	(16,888)
Net cash from operating activities	98,470	(22,558)

Notes to the financial statements (continued)

For the year ended 31 March 2024

34. Notes to the cash flow statement (continued)

Company	*2024* *£'000*	*2023* *£'000*
Loss for the year	(18,087)	(38,226)
Adjustments for:		
Income tax income	(3,197)	(9,366)
Finance costs	28,567	14,606
Finance income	(1,235)	(1,357)
Exchange gains	(3)	(0)
Depreciation of property, plant and equipment / right of use assets and amortisation of investment property	39,095	34,049
Impairment charges on property, plant and equipment / right-of-use assets	-	25,688
Impairment charges on goodwill and intangibles	-	11,150
Impairment of investments	83,368	13,418
Dividends received from associates	(4,130)	(7,500)
Amortisation of intangible fixed assets	1,583	1,551
Adjustment for pension funding	489	673
Operating cash flows before movements in working capital	126,450	44,686
Decrease/(increase) in inventories	41,874	(40,195)
Decrease/(increase) in receivables	6,184	(35,077)
(Increase)/decrease in payables	(14,579)	20,506
Cash generated/(used in) by operations	159,929	(10,081)
Income taxes paid	(6,406)	1,319
Interest paid	(28,567)	(14,606)
Interest received	(149)	(168)
Net cash from/(used in) operating activities	124,807	(23,535)

Notes to the financial statements (continued)

For the year ended 31 March 2024

35. Financial instruments

Classes and categories of financial instruments and their fair values

The following table combines information about:

- Classes of financial instruments based on their nature and characteristics;
- The carrying amounts of financial instruments;
- Fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- Fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

Level 1: Fair values measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices; and

Level 3: Fair values measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group

Financial assets	***Amortised cost £'000***	***FVTPL £'000***	***Total £'000***
Cash and cash equivalents	5,077	-	5,077
Investments (note 17)	46,905	-	46,905
Trade and other receivables (note 19)	241,629	-	241,629
Derivative financial instruments (note 24) (level 2)	-	1,203	1,203
At 31 March 2024	293,611	1,203	294,814
Cash and cash equivalents	7,741	-	7,741
Investments (note 17)	45,823	-	45,823
Trade and other receivables (note 19)	241,067	-	241,067
Derivative financial instruments (note 24) (level 2)	-	1,959	1,959
At 31 March 2023	294,631	1,959	296,590

Notes to the financial statements (continued)

For the year ended 31 March 2024

35. Financial instruments (continued)

Classes and categories of financial instruments and their fair values (continued)

Group

Financial liabilities	***Amortised cost £'000***	***FVTPL £'000***	***Total £'000***
Trade and other payables (note 21)	(239,426)	-	(239,426)
Lease liabilities (Note 28)	(57,368)	-	(57,368)
Current borrowings (note 22)	(364,964)	-	(364,964)
Non-current borrowings (note 22)	(195,067)	-	(195,067)
Derivative financial instruments (note 24) (level 2)	-	(3,083)	(3,083)
At 31 March 2024	(856,825)	(3,083)	(859,908)
Trade and other payables (note 21)	(255,013)	-	(255,013)
Lease liabilities (Note 28)	(62,766)	-	(62,766)
Current borrowings (note 22)	(421,355)	-	(421,355)
Non-current borrowings (note 22)	(210,573)	-	(210,573)
Derivative financial instruments (note 24) (level 2)	-	(4,002)	(4,002)
At 31 March 2023	(949,707)	(4,002)	(953,709)

Company

Financial assets	***Amortised cost £'000***	***FVTPL £'000***	***Total £'000***
Cash and cash equivalents	185	-	185
Investments (note 17)	33,054	-	33,054
Trade and other receivables (note 19)	246,742	-	246,742
Derivative financial instruments (note 24) (level 2)	-	398	398
At 31 March 2024	279,981	398	280,379
Cash and cash equivalents	192	-	192
Investments (note 17)	116,422	-	116,422
Trade and other receivables (note 19)	251,563	-	251,563
Derivative financial instruments (note 24) (level 2)	-	690	690
At 31 March 2023	368,177	690	368,867

Notes to the financial statements (continued)

For the year ended 31 March 2024

35. Financial instruments (continued)

Classes and categories of financial instruments and their fair values (continued)

Company

Financial liabilities	*Amortised cost £'000*	*FVTPL £'000*	*Total £'000*
Trade and other payables (note 21)	(175,679)	-	(175,679)
Lease liabilities (Note 28)	(50,516)	-	(50,516)
Current borrowings (note 22)	(356,226)	-	(356,226)
Non-current borrowings (note 22)	(197,217)	-	(197,217)
Derivative financial instruments (note 24) (level 2)	-	(2,670)	(2,670)
At 31 March 2024	(779,638)	(2,670)	(782,308)
Trade and other payables (note 21)	(200,945)	-	(200,945)
Lease liabilities (Note 28)	(54,987)	-	(54,987)
Current borrowings (note 22)	(394,823)	-	(394,823)
Non-current borrowings (note 22)	(260,428)	-	(260,428)
Derivative financial instruments (note 24) (level 2)	-	(3,075)	(3,075)
At 31 March 2023	(911,183)	(3,075)	(914,258)

There has been no reclassification of assets or liabilities during the year (2023: same).

Fair value of the group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ financial liabilities	*Fair value hierarchy*	*Valuation technique(s) and key input(s)*	*Significant unobservable input(s)*	*Relationship of unobservable inputs to fair value*
Foreign currency forward contracts	Level 2	***Discounted cash flow.*** Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.	Not applicable	Not applicable

There were no transfers between Level 1 and 2 during the current or prior year.

Notes to the financial statements (continued)

For the year ended 31 March 2024

35. Financial instruments (continued)

Financial risk management objectives

The group's corporate treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages to financial risks relating to the operations of the group through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The group seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Foreign currency risk management

The group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations rise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		***Assets***	
	2024	***2023***	***2024***	***2023***
	£'000	***£'000***	***£'000***	***£'000***
Euro	30,975	19,240	536	736
US Dollar	13,129	14,077	-	4,996
Others	-	6	-	-

Foreign currency sensitivity analysis

The group is mainly exposed to the currency of Euros and the currency of US Dollars.

The following table details the group's sensitivity to a 1% increase and decrease in sterling against relevant foreign currencies, which is the sensitivity rate which represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates. No adjustment has been made for the compensating impact of open forward foreign exchange contracts or for the reduction in tax.

	Impact on equity	
	2024	***2023***
Currency	***£'000***	***£'000***
Euro	(1,085)	(1,100)
US Dollar	(171)	(159)
Others	566	225

Foreign exchange forward contracts

It is the policy of the group to enter into forward foreign exchange contracts to cover all foreign currency payments and receipts. The group enters into forward foreign currency exchange contracts to manage the risk associated with sales and purchases from the date that contracts are agreed.

The following tables detail the foreign currency forward contracts outstanding at the end of the reporting period, as well as information regarding their related hedged items. Foreign currency forward contract assets and liabilities are presented in the line "derivative financial instruments" (either as asset or as liabilities) within the statement of financial position (see note 24 for further details):

Notes to the financial statements (continued)
For the year ended 31 March 2024

35. Financial instruments (continued)

Group	*Notional value: Foreign currency*		*Notional value: Local currency (GBP)*		*Notional value: Local currency (EUR)*		*Notional value: Local currency (PLN)*		*Fair value*	
	2024	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*
			£'000	*£'000*	*€'000*	*€'000*	*PLN '000*	*PLN '000*	*£'000*	*£'000*
Cash flow hedges										
Buy (USD)										
Less than 12 months	245,377	178,401	155,105	108,454	45,576	44,329	-	-	(102)	(3,655)
More than 12 months	4,673	3,520	3,670	2,905	-	-	-	-	23	(64)
Sell (USD)										
Less than 12 months	57,038	25,231	33,655	4,303	13,285	18,467	-	-	4	253
More than 12 months	-	25,081	-	-	-	-	-	-	-	-
Buy (EUR)										
Less than 12 months	260,972	251,809	221,224	219,095	-	-	26,271	13,864	(2,239)	474
More than 12 months	1,661	3,128	1,465	2,804	-	-	-	-	(19)	(17)
Sell (EUR)										
Less than 12 months	24,379	40,231	5,293	5,625	-	-	78,409	136,182	533	964
More than 12 months	-	30,300	-	-	-	-	-	1,634	-	2
Sell (PLN)										
Less than 12 months	8,000	3,000	1,586	560	-	-	-	-	1	(1)
Buy (MUR)										
Less than 12 months	125,000	-	-	-	2,521	-	-	-	(82)	-
Sell (AUD)										
Less than 12 months	1,221	396	630	215	-	-	-	-	-	1
									(1,880)	(2,043)

Company	*Notional value: Foreign currency*		*Notional value: Local currency (GBP)*		*Notional value: Local currency (EUR)*		*Notional value: Local currency (PLN)*		*Fair value*	
	2024	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*
			£'000	*£'000*	*€'000*	*€'000*	*PLN '000*	*PLN '000*	*£'000*	*£'000*
Cash flow hedges										
Buy (USD)										
Less than 12 months	198,336	136,395	155,105	108,454	2,499	4,973	-	-	(361)	(2,872)
More than 12 months	4,673	3,520	3,670	2,905	-	-	-	-	23	(64)
Sell (USD)										
Less than 12 months	42,414	6,633	33,655	4,303	-	-	-	-	135	3
Buy (EUR)										
Less than 12 months	255,111	249,296	221,224	219,095	-	-	-	1,229	(2,069)	619
More than 12 months	1,661	3,128	1,465	2,804	-	-	-	-	(20)	(18)
Sell (EUR)										
Less than 12 months	10,394	15,103	5,293	5,625	-	-	18,237	46,602	18	(54)
More than 12 months	-	-	-	-	-	-	-	-	-	-
Sell (PLN)										
Less than 12 months	(8,000)	-	1	-	-	-	-	-	1	-
Sell (AUD)										
Less than 12 months	1,221	396	630	215	-	-	-	-	(0)	1
									(2,273)	(2,385)

There are no material sources of ineffectiveness noted, none have been taken to the income statement. The balance in the cash flow hedges is in respect of continuing hedges.

Notes to the financial statements (continued)
For the year ended 31 March 2024

35. Financial instruments (continued)

The amounts taken into the cash flow hedge reserve and taken out are as follows:

	Foreign exchange risk	
	2024	***2023***
	£'000	***£'000***
Balance at 1 April	(1,532)	1,556
Gain/(loss) arising on changes in fair value of hedging instruments during the period	318	(2,186)
Income tax related to gains/(losses) recognised in other comprehensive income during the period	(45)	(902)
Balance at 31 March	(1,259)	(1,532)

Interest rate risk management

The group is exposed to interest rate risk because entities in the group borrow funds at both fixed and floating interest rates. The group's exposure to interest rate risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings. Due to the nature of the group's borrowings, principally group facilities, the exposure to interest rate risk is considered to be immaterial.

Credit risk management

In order to minimise credit risk, the group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The credit rating information is supplied by independent rating agencies where available and, if not available, the group uses other publicly available financial information and its own trading records to rate its major customers. The group's exposure and the credit ratings of its counterparties are continuously monitored.

Before accepting any new customer, a dedicated team responsible for the determination of credit limits uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the group reviews the recoverable amount of each trade debt on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the directors of the company consider that the group's credit risk is significantly reduced.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Overview of the group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the group arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise credit risk, the group has developed and maintained credit risk gradings to categorise exposures according to their degree of risk of default. The group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Notes to the financial statements (continued)

For the year ended 31 March 2024

35. Financial instruments (continued)

The group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Performing	The counter-party has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL-not credit-impaired
In default	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL-credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery	Amount is written off

The tables below detail the credit quality of the group's financial assets, contract assets and financial guarantee contracts, as well as the group's maximum exposure to credit risk by credit risk rating grades.

	Note	*External credit rating*	*Internal credit rating*	*12-month or lifetime ECL?*	*Gross & net carrying amount (i) £'000*
Amounts owed by parent undertakings	19	N/a	Performing	Lifetime ECL (not credit impaired)	-
Trade receivables	19	N/a	(i)	Lifetime ECL (simplified approach)	219,444
At 31 March 2024					**219,444**

	Note	*External credit rating*	*Internal credit rating*	*12-month or lifetime ECL?*	*Gross & net carrying amount (i) £'000*
Amounts owed by parent undertakings	19	N/a	Performing	Lifetime ECL (not credit impaired)	5,368
Trade receivables	19	N/a	(i)	Lifetime ECL (simplified approach)	216,852
At 31 March 2023					**222,220**

No adjustments for loss allowances have been made (2023: none).

(i) For trade receivables, the group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The group determines the expected credit loss on these items by using a provision matrix.

Notes to the financial statements (continued)
For the year ended 31 March 2024

35. Financial instruments (continued)

The carrying amount of the group's financial assets at FVTPL as disclosed in note 24 best represents their respective maximum exposure to credit risk. The group holds no collateral over any of these balances.

Capital risk management
The group manages its capital to ensure that entities in the group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The group's overall strategy remains unchanged from 2020.

The capital structure of the group consists of net debt (borrowings disclosed in note 22 after deducting cash and bank balances) and equity of the group (comprising issued capital, other reserves, retained earnings and non-controlling interests) as disclosed in the consolidated and company statements of changes in equity).

The group is not subject to any externally imposed capital requirements.

The group's board of directors review the capital structure on a regular basis. As part of this review, the board considers the cost of capital and the risks associated with each class of capital.

Liquidity risk management
Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the group's short, medium and long term funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate cash reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables
The following tables detail the group's remaining contractual maturity for its non-derivative and derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay. The contractual maturity is based on the earliest date on which the group may be required to pay.

Group

	Less than 1 month £'000	*1 - 3 months £'000*	*3 months to 1 year £'000*	*1 - 5 years £'000*	*5 + years £'000*	*Total £'000*
Trade and other payables	162,774	76,652	-	-	-	239,426
Lease liabilities	1,887	3,895	7,929	31,986	20,195	65,892
Borrowings	351,245	1,219	12,500	133,500	61,567	560,031
Derivative financial instruments	316	833	731	-	-	1,880
At 31 March 2024	516,222	82,599	21,160	165,486	81,762	867,229

	Less than 1 month £'000	*1 - 3 months £'000*	*3 months to 1 year £'000*	*1 - 5 years £'000*	*5 + years £'000*	*Total £'000*
Trade and other payables	183,455	71,558	-	-	-	255,013
Lease liabilities	1,560	3,135	7,585	32,575	25,333	70,188
Borrowings	406,349	2,506	12,500	147,254	63,319	631,928
Derivative financial instruments	24	187	83	1,749	-	2,043
At 31 March 2023	591,387	77,387	20,168	181,579	88,652	959,172

Notes to the financial statements (continued)

For the year ended 31 March 2024

35. Financial instruments (continued)

Liquidity and interest risk tables (continued)

Company

	Less than 1 month £'000	*1 - 3 months £'000*	*3 months to 1 year £'000*	*1 - 5 years £'000*	*5 + years £'000*	*Total £'000*
Trade and other payables	115,799	59,880	-	-	-	175,679
Lease liabilities	1,374	2,852	6,576	26,447	19,483	56,733
Borrowings	345,876	-	12,500	133,500	61,567	553,443
Derivative financial instruments	398	1,018	856	-	-	2,272
At 31 March 2024	463,447	63,750	19,932	159,947	81,050	788,127

	Less than 1 month £'000	*1 - 3 months £'000*	*3 months to 1 year £'000*	*1 - 5 years £'000*	*5 + years £'000*	*Total £'000*
Trade and other payables	142,084	58,861	-	-	-	200,945
Lease liabilities	1,297	2,386	5,947	27,510	23,779	60,919
Borrowings	433,432	-	12,500	146,000	63,319	655,251
Derivative financial instruments	21	108	83	2,173	-	2,385
At 31 March 2023	576,833	61,356	18,530	175,683	87,098	919,500

36. Post balance sheet events

Following the year end, on 27 May 2024, Princes Limited's owner, Mitsubishi Corporation, reached the decision, in principle, to sell the entire Princes Group to Newlat Food S.p.A. The transaction is due to complete by the end of July 2024.

37. Ultimate holding company and controlling party

The smallest group of which the company is a member and for which consolidated financial statements are drawn up is that headed by this company.

The company's immediate parent undertaking is the Mitsubishi Corporation, a company incorporated in Japan, which is also the parent undertaking of the largest group of which the company is a member, and the ultimate controlling party. Mitsubishi Corporation is the smallest and largest company to consolidate these financial statements.

Copies of the group financial statements are available to the public from the following address, which is the registered office:

Investor Relations Department,
Mitsubishi Corporation,
3 - 1 Marunouchi, 2-Chome,
Chiyoda-Ku,
Tokyo,
100-8086,
Japan