

Panelto Foods Unlimited Company

Directors' Report and Financial Statements

Year Ended 31 December 2024

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DIRECTORS AND OTHER INFORMATION

Board of Directors as at 29 August 2025

Jacinta Darmon
Garry Walsh

Solicitors

Mason Hayes & Curran
South Bank House
Barrow Street
Dublin 4

Secretary and Registered Office

Denise Cafferkey
Longford Business and Technology Park
Ballinalee Road
Longford

Bankers

Allied Irish Banks plc
7/12 Dame Street
Dublin 2

Registered Number: 376254

Independent Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the financial period ended 31 December 2024.

Principal activities and review of business

The company produces high quality artisan-style bakery products on large scale, primarily for the export market. It services the large multiples and discounters in both the UK and Ireland as well as the food service industry.

Procurement processes and policies have been adopted to create a platform of predictability and shared with our customers during price increase negotiations at the start of the period. Labour retention and supply presented as a challenge for the business as it increased its capacity to meet growing demand.

The company continues to invest in process automation and innovation to remain competitive and continue to develop its strategic partnership with customers.

The company's ultimate parent is European Bakery Group B.V. based in The Netherlands.

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with Irish law.

Irish law requires the directors to prepare financial statements for each financial year giving a true and fair view of the company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the company for the financial year. Under that law the directors have prepared the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the UK Financial Reporting Council, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and Irish law).

Under Irish law, the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the company for the financial year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

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

Accounting records

The measures taken by the directors to secure compliance with the company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at Longford Business & Technology Park, Ballinalee Road, Longford.

Dividends

There were no dividends paid or payable during the period ended 31 December 2024 (31 December 2023: €nil).

DIRECTORS' REPORT - continued

Principal risks and uncertainties

The company operates in a highly competitive market supplying its customers in both the UK and Ireland.

Challenges with labour supply and the attraction / retention of key skilled employees will be key in building the company for the next stage of growth and expansion.

The continuing Ukraine/Russian conflict has resulted in price volatility for flour and energy prices particularly. These commodities continue to carry a premium linked to uncertainty of supply.

Foreign exchange continues to show a lot of volatility and a long-term upward movement in these costs may impact the company negatively. Management monitor prices and source from a number of suppliers to manage price movements.

Financial risk management

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies are set by the board of directors and are implemented by the company's finance department.

Price risk

The company is exposed to price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Foreign exchange risk

The company is exposed to foreign exchange risk in the normal course of business, principally in relation to sales and purchases denominated in Sterling. The company uses derivative financial instruments to hedge certain foreign exchange risk exposures.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Interest rate risk and cash flow risk

The company has interest bearing liabilities through a combination of fixed and variable interest rates.

Directors

The names of the persons who were directors of the company who served as directors during the financial period are:

Jacinta Darmon

Brian O'Grady (resigned 4 April 2025)

Garry Walsh (appointed 4 April 2025)

Unless indicated, the directors all served for the entire financial period.

DIRECTORS' REPORT - continued

Directors' and secretary's interests in shares

The directors and secretary had no disclosable interests in the shares of the company or any other group company as at 31 December 2024.

Going concern

The company has prepared financial forecasts, and on the basis of these forecasts and the finance facilities available, the directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future.

Future developments

Product and process innovation continues to be the focus of the company and to remain relevant to its customers. An investment has been approved in 2025 to upgrade the bakery operations to enhance capability and keep abreast of the latest consumer trends.

Research and development

The company continues to be engaged in research and development activities.

Events since the period end

There have been no significant events, outside the ordinary course of business, affecting the company since the period end.

Directors' compliance statement

The directors confirm they are responsible for securing the company's compliance with its relevant obligations under Section 224 of the Companies Act 2014 and confirm:

- that a company compliance statement has been developed; and
- have put in appropriate arrangements and structures that are in the directors' opinion designed to secure compliance with the company's relevant obligations; and
- a review of these procedures has been performed in the current financial period.

Statement of relevant audit information

In accordance with Section 330 of the Companies Act 2014:

- so far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing its report, of which the auditor is unaware; and
- each director has taken all the steps that he or she ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

Statutory auditors

The statutory auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

On behalf of the board

Jacinta Darmon

Garry Walsh

Date: 29 August 2025



Independent auditors' report to the members of Panelto Foods Unlimited Company

Report on the audit of the financial statements

Opinion

In our opinion, Panelto Foods Unlimited Company's financial statements:

- give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law); and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Directors' Report and Financial Statements, which comprise:

- the statement of financial position as at 31 December 2024;
 - the profit and loss account for the year then ended;
 - the statement of changes in equity for the year then ended; and
 - the notes to the financial statements, which include a description of the accounting policies.
-

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

This description forms part of our auditors' report.

Responsibilities for the financial statements and the audit - continued

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2014 opinions on other matters

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.

The financial statements are in agreement with the accounting records.

Other exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Siobhán Collier
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
29 August 2025

PROFIT AND LOSS ACCOUNT
Financial Period Ended 31 December 2024

	Note	12 month period ended 31 December 2024 €	14 month period ended 31 December 2023 €
Turnover	5	91,648,647	99,071,718
Cost of sales		<u>(51,589,954)</u>	<u>(57,916,406)</u>
Gross profit		40,058,693	41,155,312
Administrative expenses		(28,168,585)	(33,642,603)
Other operating income	6	<u>287,774</u>	<u>624,173</u>
Operating profit	7	12,177,882	8,136,882
Interest receivable and similar income	9a	605,089	-
Interest payable and similar expenses	9b	<u>(549,624)</u>	<u>(415,481)</u>
Profit before taxation		12,233,347	7,721,401
Tax on profit	10	<u>(1,700,490)</u>	<u>(1,192,156)</u>
Profit for the financial year/period		<u>10,532,857</u>	<u>6,529,245</u>

The company has no recognised gains and losses other than those included in the profit and loss account above, and therefore no separate statement of comprehensive income has been presented.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

	Note	31 December 2024 €	31 December 2023 €
Tangible assets	11	<u>30,009,190</u>	<u>29,076,554</u>
Current assets			
Stocks	12	5,417,839	4,919,494
Debtors	13	30,178,241	18,091,776
Cash at bank and in hand		<u>3,918,810</u>	<u>8,522,640</u>
		39,514,890	31,533,910
Creditors - amounts falling due within one year	14	<u>(22,404,835)</u>	<u>(24,346,184)</u>
Net current assets		<u>17,110,055</u>	<u>7,187,726</u>
Total assets less current liabilities		47,119,245	36,264,280
Creditors - amounts falling due after more than one year	15	<u>(6,466,348)</u>	<u>(5,983,732)</u>
Deferred income	16	(3,832,372)	(4,109,434)
Provision for liabilities	17	<u>(914,131)</u>	<u>(819,272)</u>
Net assets		<u>35,906,394</u>	<u>25,351,842</u>
Capital and reserves			
Called up share capital	19	823,075	823,075
Capital contribution	19	5,421,872	5,400,177
Profit and loss account	19	<u>29,661,447</u>	<u>19,128,590</u>
Total equity		<u>35,906,394</u>	<u>25,351,842</u>

On behalf of the board

Jacinta Darmon

Garry Walsh

Date: 29 August 2025

STATEMENT OF CHANGES IN EQUITY
Financial Period Ended 31 December 2024

	Called-up share capital presented as equity €	Capital contribution €	Profit and loss account €	Total €
Balance at 31 October 2022	823,075	3,613,540	12,599,345	17,035,960
Profit for the financial year	-	-	6,529,245	6,529,245
Total comprehensive income for the period	-	-	6,529,245	6,529,245
Capital contribution received in respect of share-based payments		1,730,799		1,730,799
Capital contribution received in respect of Interest waived on subordinated loans	-	55,838	-	55,838
Total transaction recognised directly in equity	-	1,786,637	-	1,786,637
Balance at 31 December 2023	823,075	5,400,177	19,128,590	25,351,842
Balance at 1 January 2024	823,075	5,400,177	19,128,590	25,351,842
Profit for the financial year	-	-	10,532,857	10,532,857
Total comprehensive income for the period	-	-	10,532,857	10,532,857
Capital contribution received in respect of Interest waived on subordinated loans	-	21,695	-	21,695
Total transaction recognised directly in equity	-	21,695	-	21,695
Balance at 31 December 2024	823,075	5,421,872	29,661,447	35,906,394

NOTES TO THE FINANCIAL STATEMENTS

1 General information

Panelto Foods Unlimited Company ('the company') is engaged in the food processing business. The company has a manufacturing plant in the Republic of Ireland and sells primarily to the UK and Ireland.

Panelto Foods Unlimited Company is incorporated as an unlimited company in the Republic of Ireland. The address of its registered office is Longford Business and Technology Park, Ballinalee Road, Longford. The company registration number is 376254.

Panelto Foods Unlimited Company's ultimate parent and ultimate controlling party is European Bakery Group B.V., a company incorporated in the Netherlands. European Bakery Group B.V. prepares group financial statements and is both the smallest and largest group for which financial statements are drawn up and of which Panelto Foods Unlimited Company is a member. Copies of the European Bakery Group B.V. group financial statements are available from Kronosstraat 2, Tilburg, 5048 CE, the Netherlands.

These financial statements are the company's separate financial statements for the year ending 31 December 2024. The comparative period is the 14 month financial period beginning 31 October 2022 and ending 31 December 2023.

2 Statement of compliance

The entity financial statements have been prepared on a going concern basis and in accordance with Irish GAAP (accounting standards issued by the Financial Reporting Council of the UK and the Companies Act 2014). The entity financial statements comply with Financial Reporting Standard 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (FRS 102) and the Companies Act 2014.

3 Summary of significant accounting policies

The significant accounting policies used in the preparation of the entity financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

(a) Basis of preparation

The entity financial statements have been prepared under the historical cost convention, as modified by the measurement of certain financial assets and liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year. It also requires the directors to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 4.

(b) Going concern

The company meets its day-to-day working capital requirements through existing cash resources, cash generated from operating activities and its financing facilities. The company's forecasts and projections, taking account of reasonably possible changes in trading performance show that the company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore, these entity financial statements have been prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(c) Foreign currency

(i) *Functional and presentation currency*

The company's functional and presentation currency is the Euro, denominated by the symbol "€".

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At the end of each financial year foreign currency monetary items are translated to Euro using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at exchange rates at the end of the financial year of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the statement of comprehensive income within 'interest receivable and similar income'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'administrative expenses'.

(d) Revenue recognition

(i) *Turnover*

Turnover is the amount of revenue derived from the sale of goods falling within the company's ordinary activities after deduction of trade discounts and value-added tax. For Panelto Foods Unlimited Company turnover comprises revenue arising from the sale of goods to retailers.

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied, net of returns, discounts and rebates allowed by the company and value added taxes.

The company bases its estimate of returns, discounts and rebates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The company recognises turnover when (a) the significant risks and rewards of ownership of the goods have been transferred to the buyer; (b) the company retains no continuing managerial involvement or effective control over the goods; (c) the amount of turnover and costs can be measured reliably; (d) it is probable that future economic benefits will flow to the entity.

(e) Employee benefits

The company provides a range of benefits to employees, including short term employee benefits such as annual bonus arrangements, paid holiday arrangements and post-employment benefits (in the form of a defined contribution pension plan).

(i) *Short term employee benefits*

Short term employee benefits, including wages and salaries, paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial year in which employees render the related service. The company operates an annual bonus plan for certain employees. An expense is recognised in the profit and loss account when the company has a present legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(e) Employee benefits - continued

(ii) *Post-employment benefits*

The company operates a defined contribution plan for certain employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further contributions or to make direct benefit payments to employees if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The assets of the plan are held separately from the company in independently administered funds. The contributions to the defined contribution plan are recognised as an expense when they are due. Amounts not paid are included in accruals in the balance sheet.

(iii) *Share based payments*

The company had a performance share scheme for certain employees, whereby ordinary shares with restricted rights attaching, in the company's parent company Malloy Limited, were awarded as compensation for employment services. The employees could ultimately benefit from an allocation of the sales proceeds of the company, if and when this happened. This scheme was accounted for as an equity settled share-based payment scheme. As the benefit to employees was dependent on the sale of the company, the charge in the profit and loss account has been recognised during 2023. On recognition the charge is included in employment costs, with a corresponding capital contribution included in the Statement of Changes in Equity.

(f) Income tax

Income tax expense for the financial year comprises current and deferred tax recognised in the financial year. Income tax expense is presented in the same component of total comprehensive income (profit and loss account or other comprehensive income) or equity as the transaction or other event that resulted in the income tax expense.

Current or deferred tax assets and liabilities are not discounted.

(i) *Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the financial year or past financial years. Current tax is measured at the amount of current tax that is expected to be paid using tax rates and laws that have been enacted or substantively enacted by the end of the financial year.

The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. A current tax liability is recognised where appropriate and measured on the basis of amounts expected to be paid to the tax authorities.

(ii) *Deferred tax*

Deferred tax is recognised in respect of timing differences, which are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in financial years different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the end of each financial year with certain exceptions. Unrelieved tax losses and other deferred tax assets are recognised only when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the end of each financial year end and that are expected to apply to the reversal of the timing difference.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(g) Tangible fixed assets

Tangible fixed assets are carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to the location and condition necessary for its intended use, applicable dismantling, removal and restoration costs and borrowing costs capitalised.

(i) Land and buildings

Land and buildings are carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Plant and machinery, systems and software, motor vehicles, critical spares and office furniture and equipment

Plant and machinery, systems and software, motor vehicles, critical spares and office furniture and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) Depreciation and residual values

Land is not depreciated. Depreciation on other assets is calculated, using the straight-line method over their estimated useful lives, as follows:

Office equipment	4 years
Motor vehicles	5 years
Buildings	50 years
Building services	10 years
Critical spares	8 years
Plant, machinery, systems and software:	
- oven	15 years
- other bakery equipment	8-15 years
- other plant and equipment	8-15 years
- systems	3-5 years
- software	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each financial year. The effect of any change in either residual values or useful lives is accounted for prospectively.

(iv) Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as separate assets where they have significantly different patterns of consumption of economic benefits and are depreciated separately over their useful lives.

Repairs, maintenance and minor inspection costs are expensed as incurred.

(v) Assets in the course of construction

Assets in the course of construction are carried at cost. These assets are not depreciated until they are available for use.

(vi) Derecognition

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(h) Operating leases

Operating leases do not transfer substantially all the risks and rewards of ownership to the lessor. Payments under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease.

(i) Government grants

Government grants are recognised when there is reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received. Grant income is recognised either based on the performance model or the accruals model. This policy choice is applied on a class-by-class basis. Grant income is recognised based on the fair value of the asset received or receivable.

Under the performance model, a grant that imposes specified future performance related conditions on the company is recognised in income only when the performance related conditions are met. Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Under the accruals model, grants are classified as a grant relating to revenue or a grant related to assets. Grants related to revenue are recognised in income on a systematic basis over the years in which the entity recognises the related costs for which the grant is intended to compensate. Grants related to assets are recognised in income on a systematic basis over the expected useful life of the asset.

(j) Research and development

All research and development expenditure is charged to the profit and loss as incurred.

(k) Research and development tax credits

Research and development tax credits are recognised when the conditions for their receipt have been complied with.

Research and development tax credits within other operating income in the profit and loss account.

(l) Stocks

Stocks comprise of consumable items and goods held for resale.

Raw material and finished goods stock are measured at the lower of standard cost and estimated selling price less costs to complete and sell.

The standard cost is referenced to contracted purchase prices including taxes, duties and transport and handling costs directly attributable to bringing the stock to its present location and condition. The cost of manufactured finished goods includes raw materials, direct labour and a systematic allocation of direct costs and production overheads (based on normal operating capacity and the production facility).

Stock of engineering spares (consumable items) are determined using weighted average cost including taxes, duties and transport and handling costs directly attributable to bringing the stock to its present location and condition.

Stocks are recognised as an expense in the financial year in which the related revenue is recognised.

At the end of each financial year, stocks are assessed for impairment. If an item of stock is impaired, the identified stock is measured at its selling price less costs to complete and sell and the resulting impairment loss is recognised in the profit and loss. Where a reversal of the impairment loss is recognised the impairment loss is reversed, up to the original impairment loss, and is recognised in the profit and loss.

(m) Cash and cash equivalents

Cash and cash equivalents include cash in hand. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(n) Financial instruments

The company has chosen to apply the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

(i) *Financial assets*

Basic financial assets, including trade and other debtors and cash and cash equivalents, are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Trade and other debtors, cash and cash equivalents and financial assets from arrangements which constitute financing transactions are subsequently measured at amortised cost using the effective interest method.

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

If, in a subsequent financial year, the amount of an impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in profit or loss.

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

(ii) *Financial liabilities*

Basic financial liabilities, including trade and other creditors, bank loans, subordinated loans and preference shares, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade and other creditors, bank loans, subordinated loans and preference shares and financial liabilities from arrangements which constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is treated as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which result in fixed returns to the holder or are mandatorily redeemable on a specific date, are classified as financial liabilities. The dividends on these preference shares are recognised in total comprehensive income within 'interest payable and similar charges'.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies – continued

(n) Financial instruments – continued

(ii) *Financial liabilities - continued*

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

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

(iii) *Derivatives*

Derivatives, including forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in total comprehensive income in finance costs or income as appropriate.

The company does not apply hedge accounting for forward foreign exchange contracts.

(iv) *Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(o) Commodity contracts

Commitments to buy or sell non-financial items, such as commodities and energy, which are used to meet the company's expected usage requirements (often referred to as the 'own use' purchase or sale exception) fall outside the scope of Section 12 of FRS 102 and are not treated as financial instruments.

(p) Share capital presented as equity

Equity shares issued are recognised at the proceeds received and presented as share capital and share premium. Incremental costs directly attributable to the issue of new equity shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Dividends and distribution to equity shareholders

Dividends received are recognised in the financial statements when the legal right to receive payment is established.

Dividends paid and payable on equity shares are recognised in the financial statements when they have been appropriately approved or authorised by the shareholders and are no longer at the discretion of the company.

(r) Disclosure exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The company is a qualifying entity and has taken advantage of the following exemptions:

- (i) Exemption from the requirements of Section 7 of FRS 102 and FRS 102 paragraph 3.17(d) to present a statement of cash flow
- (ii) Exemption from the requirement of FRS 102 paragraph 33.7 to disclose key management personnel compensation in total.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the entity financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible fixed assets

The annual depreciation on tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the tangible fixed assets and note 3 for the useful economic lives for each class of tangible fixed assets.

(ii) Impairment of stocks

The company manufactures food products. As a result, it is necessary to consider the recoverability of the carrying amount of stock at the end of each financial year. When calculating any stock impairment, the directors consider the nature and condition of the stock, current estimated selling prices, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 12 for the net carrying amount of the stocks and the impairment recognised.

(iii) Rebates payable

Rebates are a feature of commercial arrangements with certain customers. Rebates paid and payable are included within cost of sales in the profit and loss account. The company is required to calculate rebates payable due to customers at each financial year end. The calculation takes into account current performance, historical data for prior years and a review of the terms contained within contracts in determining the level of rebates payable. Rebates payable are included within accruals in Note 14.

5 Turnover

Turnover relates to the sale of goods to both the UK and Ireland.

An analysis of turnover by geographic market has not been supplied as the directors believe this to be prejudicial to the interests of the company.

6 Other operating income

	Year ended 31 December 2024 €	14 month period ended 31 December 2023 €
Operational grant received	10,712	265,723
Research and development tax credits	-	33,436
Amortisation of capital grants	277,062	325,014
	<u>287,774</u>	<u>624,173</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Operating profit	Year ended 31 December 2024 €	14 month period ended 31 December 2023 €
The following operating expenses/(income) have been recognised:		
Depreciation of tangible assets	2,143,866	2,431,296
Research expenditure (excluding payroll costs)	427,636	336,787
Foreign exchange loss – includes both realised and unrealised	843,720	73,568
Profit on disposal of tangible assets	-	(31,500)
Operating lease expense	231,234	159,174

Auditors' remuneration

Remuneration (including expenses) for the statutory audit of the entity financial statements and other services carried out for the entity by the company's auditors is as follows:

	Year ended 31 December 2024 €	14 month period ended 31 December 2023 €
Audit of financial statements	55,000	44,100
Other non-audit services	38,500	49,000
Tax compliance services	24,500	24,500
	<u>118,000</u>	<u>117,600</u>

8 Employees and directors	Year ended 31 December 2024 Number	14 month period ended 31 December 2023 Number
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(a) Employees

The average number of persons employed by the company during the financial year was:

Administration	56	44
Operational	301	270
	<u>357</u>	<u>314</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Employees and directors - continued	Year ended 31 December 2024 €	14 month period ended 31 December 2023 €
(a) Employees - continued		
Staff costs comprise of:		
Wages and salaries including equity settled share-based payments	14,385,966	17,477,098
Social insurance costs	1,457,908	1,587,072
Death in service costs	187,875	222,689
Other retirement benefit costs	190,495	381,418
Total - staff costs	<u>16,222,243</u>	<u>19,668,277</u>
Amounts capitalised in inventory	(226,312)	(439,100)
Staff costs charged to profit and loss	<u>15,995,931</u>	<u>19,229,177</u>
(b) Directors		
Emoluments for services	367,257	625,075
Contributions to retirement benefit schemes - defined contribution scheme	71,117	410,288
	<u>438,374</u>	<u>1,035,363</u>
Retirement benefits are accruing to 2 directors (2023: 3 directors) under a defined contribution scheme.		
9 Net interest (income)/expense		
	Year ended 31 December 2024 €	14 month period ended 31 December 2023 €
a) Interest receivable and similar income		
Interest receivable on amounts due from group undertakings	(605,089)	-
	<u>(605,089)</u>	<u>-</u>
b) Interest payable and similar expenses		
Interest payable on loans	-	89,111
Interest payable on subordinated loans	494,929	217,081
Interest payable on "A" preference and preference shares	33,000	75,874
Interest payable on special preference shares	21,695	33,415
Total interest payable and similar expenses	<u>549,624</u>	<u>415,481</u>

The coupon on "A" preference shares and preference shares becomes payable when the company has distributable reserves.

Included in interest payable on subordinated loans €nil (2023: €22,423) of interest which has been waived by the note holders. Under accounting standards, the waived interest is considered a financing cost and therefore has been reflected in the financial statements as an interest expense with the corresponding amount recorded as a capital contribution in equity.

The right to a dividend on the special preference shares is waived to the extent that interest accruing on the subordinated loans is waived. Under accounting standards, the annual waived dividend of €21,695 (2023: €33,415) is considered a financing cost and has been recorded as an interest expense with the corresponding amount recorded as a capital contribution in equity.

NOTES TO THE FINANCIAL STATEMENTS - continued

10 Tax on profit	Year ended 31 December 2024 €	14 month period ended 31 December 2023 €
(a) Tax expense included in profit or loss		
Current tax:		
Irish corporation tax on profit for the financial year	1,537,421	1,103,796
Adjustments in respect of prior years	68,210	(10,010)
Current tax expense for the financial year	<u>1,605,631</u>	<u>1,093,786</u>
Deferred tax:		
Origination and reversal of timing differences	94,859	98,370
Adjustments in respect of prior years	-	-
Deferred tax expense for the financial year	<u>94,859</u>	<u>98,370</u>
Tax on profit	<u>1,700,490</u>	<u>1,192,156</u>

(b) Reconciliation of tax expense

Tax assessed for the financial year is higher (2023: higher) than the standard rate of corporation tax in the Republic of Ireland for the financial year ended 31 December 2024 of 12.5% (2023: 12.5%). The differences are explained below:

	Year ended 31 December 2024 €	14 month period ended 31 December 2023 €
Profit before taxation	<u>12,233,347</u>	<u>7,721,401</u>
Profit multiplied by the standard rate of tax in the Republic of Ireland for the financial year ended 31 December 2023 of 12.5% (2022: 12.5%)	1,529,168	965,175
<i>Effects of:</i>		
Expenses not deductible for tax purposes	146,077	279,341
Income not subject to tax	(42,965)	(44,806)
Other reconciling items	-	2,456
Adjustment in respect of prior years	68,210	(10,010)
Tax on profit	<u>1,700,490</u>	<u>1,192,156</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Tangible assets

	Land and buildings €	Plant and machinery, systems and software €	Office furniture and equipment €	Motor vehicles €	Critical spares €	Total €
At 31 December 2023						
Cost or deemed cost	17,123,641	34,627,401	711,268	49,250	483,022	52,994,582
Accumulated depreciation and impairment	(4,311,935)	(18,771,105)	(584,865)	(11,490)	(238,633)	(23,918,028)
Carrying amount	12,811,706	15,856,296	126,403	37,760	244,389	29,076,554
Financial period ended 31 December 2024						
Opening carrying amount	12,811,706	15,856,296	126,403	37,760	244,389	29,076,554
Additions	271,996	2,527,265	80,593	-	201,960	3,081,814
Disposals	-	-	-	-	(10,380)	(10,380)
Depreciation on disposals	-	-	-	-	5,068	5,068
Depreciation	(321,899)	(1,658,180)	(93,108)	(9,427)	(61,252)	(2,143,866)
Carrying amount	12,761,803	16,725,381	113,888	28,333	379,785	30,009,190
At 31 December 2024						
Cost or deemed cost	17,395,637	37,154,666	791,861	49,250	674,602	56,066,016
Accumulated depreciation and impairment	(4,633,834)	(20,429,285)	(677,973)	(20,917)	(294,817)	(26,056,826)
Carrying amount	12,761,803	16,725,381	113,888	28,333	379,785	30,009,190

NOTES TO THE FINANCIAL STATEMENTS - continued

12 Stocks	31 December 2024 €	31 December 2023 €
Raw materials and consumables	2,043,412	2,228,285
Finished goods and goods for resale	3,161,011	2,605,636
Engineering spares	213,416	85,573
	<u>5,417,839</u>	<u>4,919,494</u>

A provision of €428,664 (2023: €513,182) has been recognised against stock.

13 Debtors	31 December 2024 €	31 December 2023 €
Trade debtors	13,274,680	15,622,808
Other debtors	36,285	128,390
Prepayments	285,383	445,219
Amounts due from group undertakings	15,969,804	1,355,195
Corporation Tax	57,650	-
VAT	554,439	540,164
	<u>30,178,241</u>	<u>18,091,776</u>

Trade debtors are after provision for impairment of €32,927 (2023: €119,466).

Amounts due from group undertakings are unsecured, interest bearing at a rate of 7.65% with a fixed payment date.

14 Creditors - amounts falling due within one year	31 December 2024 €	31 December 2023 €
Trade creditors (ii)	6,606,343	8,487,951
Other creditors including tax and social insurance (ii)	366,309	1,404,732
Accruals	3,605,645	3,772,220
Amounts due to group undertakings	9,233,876	8,827,231
400,000 'A' preference shares of €1.00 each (i)	400,000	400,000
700,000 preference shares of €1.00 each (i)	700,000	700,000
Derivative financial instruments (note 18)	869,395	163,783
Interest on 'A' preference shares and preference shares of €1.00 each (i)	609,928	576,928
Finance Lease Liability	13,339	13,339
	<u>22,404,835</u>	<u>24,346,184</u>

(i) 'A' preferences shares and preference shares

As detailed in Note 3, the "A" preference shares and preference shares are classified as debt. These shares are redeemable at the option of the shareholders.

NOTES TO THE FINANCIAL STATEMENTS - continued

14 Creditors - amounts falling due within one year - continued**(i) 'A' preferences shares and preference shares - continued**

At 1 May 2016, the company had sufficient distributable reserves to redeem the 'A' preference shares and the preference shares. Under accounting standards, as the company does not have an unconditional right at the end of reporting period to defer the redemption of the shares beyond 12 months, the preference shares and the accrued dividends are required to be included with creditors amounts falling due within one year.

'A' preference shares entitle the holder to an annual 3% fixed cumulative preferential dividend and entitle the holders to attend, but not vote at, all general meetings of the company. The 'A' preference shares were redeemable on the fifth anniversary of their date of issue which was 24 July 2009.

The preference shareholders are entitled in priority to any payment of dividend on any other class of shares in the company. The preference shares entitle the holder to a quarterly fixed cumulative preferential dividend at the rate of 3% per annum. Preference shares do not carry any voting rights. The preference shares were initially redeemable on 31 December 2013.

The 'A' preference shares and the preference shares are redeemable by the holders providing the company has sufficient profits available for distribution such that it would legally be entitled to redeem the shares. The sum to be paid is the aggregate of the amount paid up and any dividend arrears.

(ii) Trade and other creditors

Trade and other creditors are payable at various dates in the next three months in accordance with the suppliers' usual and customary credit terms.

Creditors for tax and social insurance are payable in the timeframe set down in the relevant legislation.

	31 December 2024 €	31 December 2023 €
Other creditors including tax and social insurance comprise:		
Corporation tax	-	849,431
Income Tax	18,194	-
PAYE	137,994	302,304
PRSI	210,121	252,997
	<u>366,309</u>	<u>1,404,732</u>

(iii) Amounts due to group undertakings and parent company

Amounts due to group undertakings have interest applied and are repayable on a fixed date. Loan from parent company, Malloy Limited, is interest free and repayable on demand.

15 Creditors - amounts falling due after more than one year

	31 December 2024 €	31 December 2023 €
Amounts due to group undertakings	6,054,987	5,560,058
402,127 special preference shares of €1.00 each	402,127	402,127
Finance Lease Liability	9,234	21,547
	<u>6,466,348</u>	<u>5,983,732</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

15 Creditors - amounts falling due after more than one year – continued

Amounts due to group undertakings

Included within amounts due to group undertakings is a loan amount of €5,665,151 which is unsecured, interest bearing at a rate of 8.56% with a fixed date of repayment. The remaining amount as at 31 December 2024 is unsecured, interest free with no fixed date of repayment.

Special preference shares

As detailed in note 3 the special preference shares are classified as liabilities in the balance sheet. The special preference shareholders are entitled pari passu to any payment of dividend on any other class of shares in the Company or to the payment of interest on the subordinated loans. A quarterly fixed cumulative preferential dividend of Euribor plus 2% per annum is payable quarterly on the amount paid up thereon. Special preference shares do not carry any voting rights.

16 Deferred income	31 December 2024 €	31 December 2023 €
Capital grants:		
At the start of the financial year	4,109,434	4,434,448
Additions	-	-
Amortised during the year	(277,062)	(325,014)
At the end of the financial year	<u>3,832,372</u>	<u>4,109,434</u>
17 Provision for liabilities	31 December 2024 €	31 December 2023 €
Deferred taxation		
Deferred tax liability at the start of the financial year	(819,272)	(720,902)
Charged to profit and loss account	(94,859)	(98,370)
Deferred tax liability at the end of the financial year	<u>(914,131)</u>	<u>(819,272)</u>
Deferred taxation is made up as follows:		
Capital allowances in excess of depreciation	(982,677)	(912,489)
Other timing differences	68,546	93,217
Total deferred tax liability	<u>(914,131)</u>	<u>(819,272)</u>

There were no unused tax losses or unused tax credits.

NOTES TO THE FINANCIAL STATEMENTS - continued

18 Financial instruments

The company has the following financial instruments:

	Notes	31 December 2024 €	31 December 2023 €
Financial liabilities at fair value through profit and loss			
- Derivative financial instruments	14	<u>(869,395)</u>	<u>(163,783)</u>

Derivative financial instruments

The company enters into forward foreign currency exchange contracts to mitigate the exchange rate risk for certain foreign currency sales. At 31 December 2024, the outstanding contracts all mature within 12 months (2023: 12 months) of the end of the financial year.

As required by Section 11 and 12 of FRS 102, the forward foreign currency exchange contracts existing at year end are measured at fair value, or market-to-market, using valuation techniques that utilise observable inputs. Any changes in fair value are recognised in the Statement of Comprehensive Income. The key assumptions used in valuing the derivatives are the forward exchange rates for EUR: GBP at the end of the financial year.

The company has no interest rate derivative financial instruments (2023: none).

19 Called up share capital

	31 December 2024 €	31 December 2023 €
Authorised		
1,000,000 (2023: 1,000,000) ordinary shares of €1.00 each	1,000,000	1,000,000
1,000,000 (2023: 1,000,000) 'A' ordinary shares of €1.00 each	1,000,000	1,000,000
100 (2023: 100) deferred shares of €1.00 each	100	100
	<u>2,000,100</u>	<u>2,000,100</u>
Allotted, called up and fully paid - presented as equity		
88,788 (2023: 88,788) ordinary shares of €1.00 each	88,788	88,788
734,287 (2023: 734,287) 'A' ordinary shares of €1.00 each	734,287	734,287
	<u>823,075</u>	<u>823,075</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

19 Called up share capital - continued

There are two classes of equity shares. There are no restrictions on the distribution of dividends and the repayment of capital. All shares carry equal voting rights and rank for dividends to the extent to which the total amount on each share is paid up.

	31 December 2024 €	31 December 2023 €
Authorised		
500,000 (2023: 500,000) special preference shares of €1.00 each	500,000	500,000
700,000 (2023: 700,000) preference shares of €1.00 each	700,000	700,000
400,000 (2023: 400,000) 'A' preference shares of €1.00 each	400,000	400,000
	<u>1,600,000</u>	<u>1,600,000</u>
Allotted and fully paid - presented as a liability		
402,127 (2023: 402,127) special preference shares of €1.00 each	402,127	402,127
700,000 (2023: 700,000) preference shares of €1.00 each	700,000	700,000
400,000 (2023: 400,000) 'A' preference shares of €1.00 each	400,000	400,000
	<u>1,502,127</u>	<u>1,502,127</u>

The preference shares are classified as liabilities in the balance sheet.

These shares are redeemable at the option of the shareholders and under Section 22 of FRS 102 are required to be classified as debt rather than equity (see note 14 and 15).

A description of each reserve within equity is outlined below:

Profit and loss account

Profit and loss account represents accumulated comprehensive income for the financial period and prior financial years.

Capital contribution

Capital contribution represents the annual interest waived by the senior subordinated loan noteholders from the date of inception of the loan, and the annual dividend waived by the holders of the preference shares from the date of the preference shares were issued.

20 Contingent liabilities

Government grants of €6,435,296 (2023: €8,057,492) may become repayable in certain circumstances. In the opinion of the directors, such circumstances are unlikely to occur.

21 Pensions

The company has in place a defined contribution pension scheme for employees of the company. During the year contributions of €355,538 (2023: €373,047) were made to the scheme by the company.

NOTES TO THE FINANCIAL STATEMENTS - continued

22 Capital and other commitments

	31 December 2024 €	31 December 2023 €
<i>(i) Capital commitments</i>		
At the end of the financial year, the company has the following capital commitments:		
Contractual commitments for the acquisition of tangible assets	<u>-</u>	<u>-</u>

(ii) Operating leases

At 31 December 2024, future minimum lease payments under non-cancellable operating leases were as follows:

	Property €	Motor vehicles €	Total €
Within one year	87,380	97,948	185,328
In more than one year, but not more than five years	<u>50,972</u>	<u>180,724</u>	<u>231,696</u>
	<u>138,352</u>	<u>278,672</u>	<u>417,024</u>

At 31 December 2023, future minimum lease payments under non-cancellable operating leases were as follows:

	Property €	Motor vehicles €	Total €
Within one year	76,107	134,369	210,476
In more than one year, but not more than five years	<u>112,932</u>	<u>159,563</u>	<u>272,495</u>
	<u>189,039</u>	<u>293,932</u>	<u>482,971</u>

(iii) Other commitments

The company has commitments to buy non-financial items including commodities such as flour and energy. These items are required for the company's own use

23 Related party transactions

The company is exempt from disclosing related party transactions where they are with other companies that are wholly owned within the European Bakery Group B.V. group.

Details of directors' remuneration is included in note 8.

The company had no other disclosable related party transactions for the year ended 31 December 2024

NOTES TO THE FINANCIAL STATEMENTS - continued

23 Related party transactions - continued

The following related party transactions were entered into during the 14 month period ended 31 December 2023.

	Notes	Consultancy payable by Panelto 2023 €	Royalty charge payable by Panelto 2023 €	Interest payable by Panelto 2023 €	Rental payable by Panelto 2023 €	Closing other amounts payable by Panelto at 31 December 2023 €	Closing loan balance payable by Panelto at 31 December 2023 €
Gingerhill Limited	(i)	12,352	-	-	91,583	-	-
Malstone	(ii)	-	1,926,010	-	-	8,827,231	-
Malloy Limited	(iii)	-	-	-	-	27,850	1,383,045
<u>Subordinated loans</u>							
Slewmore Limited	(i)	-	-	28,748	-	-	-
Malloy Limited	(iii)	-	-	2116	-	-	348,745

- (i) Gingerhill Limited was a related company of Panelto Foods Unlimited Company. Neil McHugh is the beneficial owner of the entire share capital of Gingerhill Limited and its 100% subsidiary, Slewmore Limited (now liquidated). Since the acquisition of the company by European Bakery Group B.V. these entities are no longer deemed related parties.
- (ii) Malstone is a fellow group company. Transactions up to the date of acquisition of the company by European Bakery Group B.V. have been included above as related party transactions.
- (i) Malloy Limited is the immediate parent company of Panelto Foods Unlimited Company.

NOTES TO THE FINANCIAL STATEMENTS - continued

24 Post balance sheet events

There have been no significant events affecting the company since the year end.

25 Parent company and controlling party

The parent company and controlling party is European Bakery Group B.V., a company incorporated in the Netherlands, under registered number 83883312.

The registered address of European Bakery Group B.V. is Kronosstraat 2, Tilburg, 5048 CE, the Netherlands.

26 Approval of financial statements

The directors approved the financial statements on 29 August 2025.