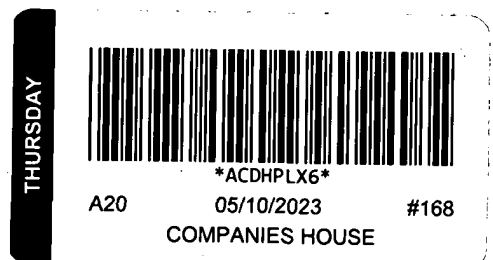


# **Anglia Maltings (Holdings) Limited**

**Annual report and consolidated financial statements**

**for the year ended 31 December 2022**

Registered number: 00031801



# Anglia Maltings (Holdings) Limited

---

## Contents

Directors and advisers	2
Strategic report	3-6
Directors' report	7-10
Statement of directors' responsibilities	11
Independent auditor's report to the members of Anglia Maltings (Holdings) Limited	12-15
Consolidated profit and loss account	16
Consolidated statement of other comprehensive income	17
Consolidated balance sheet	18
Company balance sheet	19
Consolidated cash flow statement	20
Consolidated and Company statements of changes in equity	21
Notes to the financial statements	22-46

# **Anglia Maltings (Holdings) Limited**

---

## **Directors and advisers**

### **Directors**

The directors of the company, who held office during the year and/or at the date of signing the financial statements, are given below:

M A Hodson  
S J Le Poidevin  
S Sands  
C Sheldon  
D Sobkow  
G A Thompson

### **Company secretary**

G A Thompson

### **Independent auditor**

KPMG LLP  
FORA  
20 Station Road  
Cambridge  
CB1 2JD

### **Banker**

HSBC Bank plc

### **Registered office**

Great Ryburgh  
Fakenham  
Norfolk  
NR21 7AS

# Anglia Maltings (Holdings) Limited

---

## Strategic report

### 1. Business Review

Anglia Maltings (Holdings) Ltd (AMH) is the principal subsidiary of Ragleth Limited. AMH comprises three divisions: a maltings division – Crisp Malt, and two food ingredient divisions – Edme Ltd and Micronized Food Products Ltd (MFP). The Group reports separate statutory accounts for Anglia Maltings (Holdings) Ltd which in turn includes the financial results of five companies:

- Crisp Malting Group, operating five maltings in the UK, and Edme Limited;
- Crisp Malt GmbH
- Crisp Malt Sp. z o.o.
- Micronized Food Products Ltd (MFP)
- Portgordon Maltings Ltd

The financial results of Anglia Maltings (Holdings) Ltd in turn form the major part of the accounts of Ragleth Ltd.

The AMH Group's 2022 turnover was £215.7m (2021: £175.7m). Earnings before interest tax depreciation and amortization (EBITDA Note 30) was £14.9m (2021: £16.0m), and Profit before Tax was £7.1m (2021: £6.7m).

At the year end, the Group had net assets of £102.2m (2021: £98.2m). Net debt after cash increased to £79.6m (2021: £39.3m). Dividends of £nil were declared in the year (2021: £nil); meaning retained profit of £5.0m was transferred to Group reserves (2021: £4.7m).

2022 brought a number of macro-economic challenges primarily due to Russia's invasion of Ukraine, that resulted in significant inflationary pressures across energy and commodity markets. Despite this, the Group delivered a robust and profitable trading performance attributable to strong demand for its products in key markets and its conservative risk management strategy.

During the year AMH successfully refinanced its borrowing facilities with HSBC, who has provided the Group with a new £93m Asset Backed Lending facility for a three year term ending July 2025. The new facility provides the Group with the financial flexibility and liquidity to comfortably trade through the current high commodity cycle, while also continuing to achieve its long-term strategic objectives.

During 2022, there was a fire in the peat kiln at the Group's maltings in Portgordon. The damage and disruption caused by the fire is an insured event, and the Group are claiming against its insurance policies to minimise any financial impact to the business. At the date of these accounts, the peat kiln has been reconstructed and producing peated malt again.

In July 2023, Richardson Malting (UK) Limited, a subsidiary of Richardson International Limited, acquired 100% of Ragleth Limited, the parent company of Anglia Maltings (Holdings) Limited. Richardson International Limited is a global leader in agriculture and food processing. Based in Winnipeg, Manitoba, Canada, the company is a worldwide handler and merchandiser of all major Canadian-grown grains and oilseeds and a vertically integrated processor and manufacturer of oats and canola-based products.

# Anglia Maltings (Holdings) Limited

## Strategic report (continued)

### 2. Key performance indicators ("KPIs")

We continued to make satisfactory progress in the year with regard to the group's main strategic aims as set out above. The board monitors progress on a monthly basis by reference to seven main KPIs. Performance during the year, together with a comparison to the prior year, is set out below:

	2022	2021
Gross margin (including depreciation)	9.2%	9.6%
Adjusted EBITDA	£14.9m	£16.0m
Profit before Tax	£7.1m	£6.7m
Return on Capital	8.7%	7.4%
Net debt	£79.6m	£39.3m
Capex	£4.5m	£6.9m
Headcount	371	363

### 3. Strategy:

The group's main strategies are as follows:

- To be the malt/food ingredients supplier of choice
- To provide an acceptable and sustainable return on capital employed to shareholders; and
- To provide a stimulating and rewarding working environment for our colleagues.

These strategies are pursued through:

#### **Malt/food ingredients supplier of choice**

In our investment in equipment and Colleagues, we seek to be the supplier of choice in our markets by providing consistently high-quality finished products, by offering new product development and giving first class technical back-up and support. EDME is BRC AA grade. MFP works towards Assured UK Malt standards. Crisp operates to UK Malt Standards.

We seek to operate: where if we are sole supplier, then to do so on an issue-free basis. Where we share supply with a single competitor, we aim to be the better of two. Where there are three suppliers, we aim to be the best. Where there are four or more suppliers, we aim always to be first or second.

#### **Return on capital employed**

Emphasis is placed on continually reviewing our processes to maximise efficiency and engender a culture of continuous improvement. The aim is to optimize profitability in an industry with cyclical profitability. An integral part of this process is sustained capital expenditure on production plant and machinery and our investment in our employees through formal and informal training.

#### **Rewarding working environment**

We are striving to provide a stimulating and rewarding working environment for our employees, through the provision of training courses and also bonus schemes that encourage the pursuit of excellence by rewarding personal and collective achievement. We seek to promote from within whenever possible.

### 4. Section 172 Companies Act 2006

The directors must act in a way they consider would be most likely to promote the success of the Group for the benefit of its members as a whole and in doing so must have regard to the matters set out in Section 172 (i). The board makes many decisions, examples of the more strategic decisions made during the year are set out below:

## Strategic report (continued)

### Long term consequences

The Group aims to secure its long-term prospects and viability by seeking out strategies that provide mutual long-term benefits for both its suppliers and customers. The directors approved a five-year plan which includes allocation of capital towards projects and opportunities to further expand the business.

### Interest of Colleagues

Engagement with colleagues and safety is a priority within the Group. During the year the Group continued its regular communication with employees on all matters and in addition continues to review skills gaps in all areas.

### Interest of other stakeholders

The five-year plan includes the allocation of capital towards the interests of all stakeholders, for example employee remuneration, supplier payments and supply chain investment as well as plans to fairly balance the needs of other key stakeholders with decisions made on dividend policy, pension deficit payments and debt management.

### Impact on community & environment

The Group recognises that its operations have the potential to significantly impact the environment and therefore, to be a business of choice for its various stakeholders, it needs to be ethically fit for purpose in the long term. The directors ensure that environmental and social factors are included within their decision making as well as traditional financial factors.

### High standards of business conduct

Strategic delivery and being a business of choice for our stakeholders requires strong corporate governance. The Group's internal and external policies have been reviewed by the directors, aligned to best practice and include recent statutory improvements around Anti Bribery, Modern Slavery and Data Protection (GDPR).

### Shareholder fairness

Although there is no requirement for the Company to have an independent non-executive directors or board adviser it chooses to appoint them, not only for their wealth of experience but also to ensure the board's decision making is independent, objective and aligned to its shareholders as a whole. These independent non-executive directors will remain in place following the acquisition by Richardson International Limited.

## 5. Principal risks and uncertainties

Management of the business and execution of Group strategy are subject to a number of risks. Risk is formally reviewed by the board. Appropriate procedures and processes are put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the group.

The key business risks affecting the group are set out below:

### Competition

Our malting and food ingredients businesses operate in highly competitive environments, with constant pressure on margins. The board therefore monitors the activities of our main competitors in the marketplace. Our emphasis is on delivering both high quality products and first-class service and support to our customers.

### Retirement benefits

The triennial valuation of the defined benefit pension liabilities in the UK with effect from 5th April 2020 showed a deficit of £13m. The date hit the epicentre of COVID-19: falling equity markets and the depression of gilt yields, which was unfortunate timing.

The Trustees and the Employer agreed to Deficit Recovery Contributions (DRCs) over seven years. The Employer AMH, injected £1.97m into the Fund in 2022. As accounted at 31st December 2022, the UK deficit was £2.94m. The German deficit decreased to £1.92m.

## Strategic report (continued)

### Employees

The group's performance depends on our colleagues. The risks are the resignation of key individuals, the steady ageing of our workforce, and the difficulties of recruitment. Management continues to invest in its workforce to ensure robust succession plans are in place, while also, working with employees to develop new skills and career opportunities.

### Supply chain

We share with our farmer suppliers the risks of weather and its impact on each harvest. The 2022 harvest was of good quality, however there was a price impact due to the movement in the underlying world commodity prices.

Energy is our second largest cost. We seek to reduce absolute usage by continuous investment in energy-saving equipment. For example, we installed a CHP (Combined Heat and Power) unit at Ryburgh in 2015 and we have also invested in a CHP at Hamburg, and the economisers at all sites where possible.

### Banking

The Group refinanced in 2022 with a new £93m asset-based lending facility in place as its primary source of liquidity. £23m of this facility is in the form of a term loan with fixed annual repayments of £1.28m. The remaining £70m is in the form of asset-based lending secured on certain debtors and inventory of the group. The facility expires in July 2025. The facility is subject to covenants agreed with HSBC.

## 6. Future Outlook

The Group has delivered a robust trading performance through 2022 demonstrating the resilience of its business model. While the market place continues to trade through a period of heightened volatility for supply chains and raw materials, the outlook for the Group remains positive. This is aided by the strong partnerships with its suppliers, customers, employees and banking partners.

Energy is our second largest cost. We seek to reduce absolute usage by continuous investment in energy-saving equipment. For example, we installed a CHP (Combined Heat and Power) unit at Ryburgh in 2015 and we have also invested in a CHP at Hamburg, and the economisers at all sites where possible.

The strategic report was approved by the board of directors on 3<sup>rd</sup> October 2023 and was signed on its behalf by:



**George A Thompson**  
Chief Financial Officer

# Anglia Maltings (Holdings) Limited

---

## Directors' report

The directors have pleasure in presenting their annual report and audited financial statements of both the company and the group for the year ended 31 December 2022.

### Future developments

The future outlook of the business has been included in the Strategic report and is incorporated by cross-reference into this Directors' report.

### Dividends

The directors declared dividends of £nil (2021: £nil) in the year.

### Going concern

The group has access to bank working capital and overdraft facilities and the directors are confident that such facilities will continue to be made available to fund working capital requirements. Please see note 1 for more details.

### Political and charitable donations

The company made no political contributions or charitable donations during the year (2021: £nil).

### Research and development

We are continually engaging and liaising with our customers to understand their needs and thereby develop new products and improve the performance of our current product range. The board views this investment in research and development as a principal element of its strategy to establish the group as the supplier of choice.

### Corporate Governance

As a result of the introduction of the new UK Corporate Governance Code 2018, Section 172(1), the board has reviewed its engagement with employees and other stakeholders in order to ensure that the views of all our stakeholders are considered at board level.

The existing mechanisms for engagement with employees by the board include reviewing and implementing suggestions received from employees via monthly works council meetings, townhalls, individual site visits by members of the board and other senior managers and written communications from the board and senior managers on matters of importance to the group, including financial performance. We will continue to review and adapt our approach to employee engagement during the coming year. By developing our employees and providing a range of benefits we ensure that we have highly motivated people with the right skills which allow the company to compete effectively in the global marketplace. To attract and retain employees, we ensure that our remunerative packages are both fair and competitive.

We retain close relationships with our customers and provide product support through our sales representatives and technical team, who are active throughout the world. We conduct audits and site visits, where applicable, to ensure that a strong relationship is maintained with our critical suppliers. This includes prompt payment of all suppliers. We expect all our suppliers to be compliant with the Modern slavery act and work closely with them to build on our knowledge and promote best practice.

### Financial risk management

The group's operations expose it to a variety of financial risks that include price risk, credit risk, liquidity risk, interest rate cash flow risk, foreign exchange risk and adverse movements in barley and energy prices.

Given the size of the group, the board retains the responsibility of monitoring financial risk. The policies set by the board of directors are implemented by the group's finance department.

#### Price risk

The group is exposed to price risk through competitor activities. These activities are monitored continuously by a sub-committee of the board.



# Anglia Maltings (Holdings) Limited

---

## Directors' report (continued)

### *Credit risk*

The group has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual customer is subject to limits approved by the board.

### *Liquidity risk*

The group actively maintains long-term and short-term debt finance designed to ensure the group has sufficient available funds for operations and planned expansion.

### *Interest rate cash flow risk*

The group has both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash balances which earn interest at a floating rate. The group has a policy of maintaining debt at a mixture of fixed and floating rates to ensure stability over future interest cash flows and a degree of fluctuation that is acceptable to the board. The directors will revisit the appropriateness of this policy should the group's operations change in size or nature.

### *Foreign exchange risk*

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with the US dollar and the Euro. To manage the foreign exchange risk arising from future commercial transactions, the group uses forward contracts for both the US dollar and the Euro.

### *Adverse movements in barley and energy prices*

The company enters in to forward contracts where appropriate to ensure stability of raw material and energy prices.

### **Employee relations**

The group encourages, where possible, the employment of disabled people and the retention of those who become disabled during their employment with the group by such means as may be appropriate to the circumstances of each situation.

The directors of all companies within the group recognise the importance, for good employee relations, of meaningful communication and participation and this is facilitated through frequent works council meetings and townhalls. Directors are committed to provide information on the performance of divisions and of the group, and various methods, including briefing groups at all levels, are used to achieve this.

### **Health and safety**

The group has a health, safety and environment manual which is issued to every employee. All sites have a health and safety committee who meet on a regular basis. Minutes of the health and safety committee are presented and considered at each board meeting.

### **Retirement benefits**

In response to the escalating costs associated with a defined benefit scheme, the group closed membership of its scheme to any employees who commenced employment after 28 March 2000. However, personal pension plan arrangements, fully compliant with stakeholder regulations, are offered to all such employees. Details of the retirement benefits are set out in note 22 to the financial statements.

# Anglia Maltings (Holdings) Limited

## Directors' report (continued)

### Matters covered in the strategic report

The Strategic Report includes the following disclosures that would otherwise have been included in the Directors Report:

- Business review
- Key performance indicators
- Principal risks and uncertainties

### Directors and their interests

The directors of the company who were in office during the year and up to the date of signing the financial statements are as listed below.

M A Hodson  
E R Iliffe\* (Resigned 5 July 2023)  
C G Johnson\* (Resigned 5 July 2023)  
S J Le Poidevin  
S Sands (Appointed 27<sup>th</sup> January 2022)  
C Sheldon (Appointed 11 July 2023)  
D Sobkow (Appointed 11 July 2023)  
G A Thompson  
E J Whitley OBE\* (Resigned 5 July 2023)  
\* Non-executive

None of the directors hold any interest in the share capital of the company.

The directors of the company who were in office during the year and up to the date of signing the financial statements are as listed on page 2.

### Directors' third-party indemnity provision

A qualifying third-party indemnity provision as defined in section 234 of the Companies Act 2006 is in force for the benefit of each of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, the company maintained a directors' and officers' liability insurance policy throughout the financial year and at the date of approval of the financial statements.

### Streamlined Energy and Carbon Reporting Framework (SECR)

The Board of Anglia Maltings (Holdings) Limited recognises the objective of reducing the environmental impact of group activities. During 2022, the operation of the combined heat and power unit at our Gt Ryburgh malting plant continued to make a significant saving of CO<sub>2</sub>e and the installation of a new kiln heating boiler at the same malting plant has further improved energy efficiency. The Board continues to review opportunities for improved energy efficiency and reduced GHG emissions within all operations and activities.

Our energy use and greenhouse gas emissions for the year ended 31 December 2022 are set out in the table below and were calculated using *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard methodology*:

Type of Fuel		GWh	mtCO <sub>2</sub> e
Grid Supplied Electricity	2022	27.88	5,332
	2021	29.38	5,699
Natural Gas	2022	204.76	37,305
	2021	217.02	38,937
Fuel for Transport	2022	9.33	2,330
	2021	8.30	1,967

# Anglia Maltings (Holdings) Limited

---

## Directors' report (continued)

Our energy intensity metric is mtCO<sub>2</sub>e per employee. During 2022 our average number of full-time employees (FTEs) was 282 and our intensity ratio for the period was 159 mtCO<sub>2</sub>e per FTE.

### Statement of disclosure of information to auditors

So far as each of the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### Independent auditors

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

The directors' report was approved by the board of directors on 3<sup>rd</sup> October 2023 and was signed on its behalf by:



**George A Thompson**  
Company Secretary

### **Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements**

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

# Anglia Maltings (Holdings) Limited

---

## Independent auditor's report to the members of Anglia Maltings (Holdings) Limited

### Opinion

We have audited the financial statements of Anglia Maltings (Holdings) Limited ("the company") for the year ended 31 December 2022 which comprise the consolidated profit and loss account, consolidated statement of comprehensive income, consolidated balance sheet, company balance sheet, consolidated cash flow statement, consolidated statement of changes in equity, company statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

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

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

Our conclusions based on this work:

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

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

# Anglia Maltings (Holdings) Limited

---

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

### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit committee, and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit committee minutes.
- Considering remuneration incentive schemes and performance targets for management/directors.
- Using analytical procedures to identify any usual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the group to full scope component audit teams of relevant fraud risks identified at the Group level and request to full scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at group.

### *Fraud in revenue recognition*

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, the risk that Group and component management may be in a position to make inappropriate accounting entries, the risk of bias in accounting estimates and judgements such as impairment of stock and pension assumptions, and the risk that revenue is overstated through recording revenue in the incorrect period.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those containing certain key words/ those posted to credit pension liability accounts/ those with unusual entries to cash and borrowings accounts/ those posted to an account linked to a fraud risk.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias

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

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

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the group to full-scope component audit teams of relevant laws and regulations identified at the Group level, and a request for full scope component auditors to report to the group team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at group.

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

## Anglia Maltings (Holdings) Limited

---

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

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

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

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

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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

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

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

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

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

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

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

We have nothing to report in these respects.

# Anglia Maltings (Holdings) Limited

---

## **Directors' responsibilities**

As explained more fully in their statement set out on page 11, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities**

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

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

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

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

**Mark Prince (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
FORA  
20 Station Road  
Cambridge  
CB1 2JD

Date: 3<sup>rd</sup> October 2023



## Anglia Maltings (Holdings) Limited

### Consolidated profit and loss account for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
<b>Revenue</b>	3	<b>215,690</b>	175,739
Cost of sales	4	<u>(195,832)</u>	<u>(158,838)</u>
<b>Gross profit</b>		<b>19,858</b>	16,901
Administrative costs	4	<b>(15,251)</b>	(9,594)
Other operating income	5	<b>4,319</b>	-
<b>Operating profit</b>		<u><b>8,926</b></u>	<u>7,307</u>
Net interest payable and similar charges	6	<b>(1,814)</b>	(495)
Net interest charge on defined benefit assets and liabilities	22	<u><b>(16)</b></u>	<u>(68)</u>
<b>Profit before taxation</b>		<b>7,096</b>	6,744
Tax on profit	9	<u><b>(2,113)</b></u>	<u>(2,083)</u>
<b>Profit for the financial year</b>		<u><u><b>4,983</b></u></u>	<u><u>4,661</u></u>

All the above relate to continuing activities.

The notes on pages 22 to 46 form part of these financial statements.

## Anglia Maltings (Holdings) Limited

### Consolidated statement of comprehensive income for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Profit for the financial year		4,983	4,661
Foreign exchange differences on translation of foreign operations		(33)	127
Effective portion of changes in fair value of cashflow hedges		739	(30)
Actuarial (loss)/gain relating to the pension schemes	22	(2,574)	4,952
Deferred tax on other comprehensive income	21	644	(941)
Deferred tax amortisation in relation to acquisition		248	188
<b>Total comprehensive income for the year</b>		<b>4,007</b>	<b>8,957</b>


The notes on pages 22 to 46 form part of these financial statements.


# Anglia Maltings (Holdings) Limited

## Consolidated balance sheet as at 31 December 2022

	Note	2022 £'000	2021 £'000
<b>Non-current assets</b>			
Intangible assets	12	7,869	8,467
Tangible assets	13	58,742	62,314
Investment in joint venture	15	9,534	5,625
		<u>76,145</u>	<u>76,406</u>
<b>Current assets</b>			
Stocks	16	99,746	62,958
Debtors	17	50,425	30,795
Cash at bank and in hand		7,417	5,968
		<u>157,588</u>	<u>99,721</u>
<b>Creditors: amounts due within one year</b>	18	<u>(100,515)</u>	<u>(54,914)</u>
<b>Net current assets</b>		<u>57,073</u>	<u>44,807</u>
<b>Total assets less current liabilities</b>		<b>133,218</b>	<b>121,213</b>
<b>Creditors: amounts due after more than one year</b>	19	<b>(21,818)</b>	<b>(16,325)</b>
<b>Provisions for liabilities</b>			
Deferred tax liability	21	(4,365)	(4,526)
Pensions and similar obligations	22	<u>(4,857)</u>	<u>(2,191)</u>
<b>Net assets</b>		<u><b>102,178</b></u>	<u><b>98,171</b></u>
<b>Capital and reserves</b>			
Called up share capital	24	4,900	4,900
Share premium account		9	9
Capital redemption reserve		69	69
Foreign exchange reserve		3,164	3,197
Profit and loss account		<u>94,036</u>	<u>89,996</u>
<b>Total shareholders' funds</b>		<u><b>102,178</b></u>	<u><b>98,171</b></u>

The financial statements on pages 16 to 46 were approved by the board of directors on 3<sup>rd</sup> October 2023 and were signed on its behalf by:

  
**Stuart Sands**  
 Director

  
**George A Thompson**  
 Director

The notes on pages 22 to 45 form part of these financial statements.

# Anglia Maltings (Holdings) Limited

## Company balance sheet as at 31 December 2022

	Note	2022 £'000	2021 £'000
<b>Non-current assets</b>			
Tangible assets	13	35,893	36,559
Investments	14	47,499	43,590
		<u>83,392</u>	<u>80,149</u>
<b>Current assets</b>			
Stocks	16	72,117	49,317
Debtors	17	58,355	30,026
Cash at bank and in hand		4,931	3,217
		<u>135,403</u>	<u>82,560</u>
<b>Creditors: amounts due within one year</b>	18	<u>(105,190)</u>	<u>(63,415)</u>
<b>Net current assets</b>		<u>30,213</u>	<u>19,145</u>
<b>Total assets less current liabilities</b>		<b>113,605</b>	<b>99,294</b>
<b>Creditors: amounts due after more than one year</b>	19	<b>(21,818)</b>	<b>(16,325)</b>
<b>Provisions for liabilities</b>			
Deferred tax liability	21	(2,638)	(2,891)
Pensions and similar obligations	22	(2,937)	626
<b>Net assets</b>		<u><b>86,212</b></u>	<u><b>80,704</b></u>
<b>Capital and reserves</b>			
Called up share capital	24	4,900	4,900
Share premium account		9	9
Revaluation reserve		636	636
Profit and loss account		<u>80,667</u>	<u>75,159</u>
<b>Total shareholders' funds</b>		<u><b>86,212</b></u>	<u><b>80,704</b></u>

The financial statements on pages 16 to 46 were approved by the board of directors on 3<sup>rd</sup> October 2023 and were signed on its behalf by:

  
**Stuart Sands**  
 Director

  
**George A Thompson**  
 Director

The notes on pages 22 to 45 form part of these financial statements.

# Anglia Maltings (Holdings) Limited

## Consolidated cash flow statement for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
<b>Net cash inflow from operating activities</b>	27	(29,830)	3,153
Taxation paid		(330)	(922)
<b>Net cash generated from operating activities</b>		(30,160)	2,231
<b>Cashflow from investing activities</b>			
Acquisition of tangible fixed assets	13	(4,508)	(6,935)
Sale of tangible fixed assets		98	4
Investment in joint venture	15	(3,960)	(5,625)
Interest received		57	-
<b>Net cash in from investing activities</b>		(8,313)	(12,556)
<b>Cashflow from financing activities</b>			
New Term Loan		5,113	5,479
Repayment of long-term loans		(2,154)	(3,668)
Interest paid		(1,871)	(495)
<b>Net cash used from financing activities</b>		1,088	1,316
<b>Net decrease in cash and cash equivalents</b>	28	(37,385)	(9,009)
Cash and cash equivalents at the beginning of the year		(19,108)	(10,099)
<b>Cash and cash equivalents at the end of the year</b>		(56,493)	(19,108)
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		7,417	5,968
Bank overdraft		(63,910)	(25,076)
<b>Cash and cash equivalents</b>		(56,493)	(19,108)

The notes on pages 22 to 46 form part of these financial statements.

# Anglia Maltings (Holdings) Limited

## Consolidated and Company statements of changes in equity for the year ended 31 December 2022

	Called up share capital	Share premium account	Foreign exchange reserve	Revaluation reserve	Profit and loss account	Total
<i>Group</i>	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2022	4,900	9	3,197	69	89,996	98,171
<b>Total comprehensive income for the period</b>						
Profit for the financial year	-	-	-	-	4,983	4,983
Other income/(loss)	-	-	(33)	-	(943)	(976)
Total comprehensive income for the period	-	-	(33)	-	4,040	4,007
Dividends paid	-	-	-	-	-	-
<b>At 31 December 2022</b>	<b>4,900</b>	<b>9</b>	<b>3,164</b>	<b>69</b>	<b>94,036</b>	<b>102,178</b>
<i>Company</i>						
At 1 January 2022	4,900	9	-	636	75,159	80,704
<b>Total comprehensive income for the period</b>						
Profit for the financial year	-	-	-	-	6,175	6,175
Other comprehensive loss	-	-	-	-	(667)	(667)
Total comprehensive income for the period	-	-	-	-	5,508	5,508
Dividends paid	-	-	-	-	-	-
<b>At 31 December 2022</b>	<b>4,900</b>	<b>9</b>	<b>-</b>	<b>636</b>	<b>80,667</b>	<b>86,212</b>
<i>Group</i>	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2021	4,900	9	3,070	69	81,166	89,214
<b>Total comprehensive income for the period</b>						
Profit for the financial year	-	-	-	-	4,661	4,661
Other comprehensive income	-	-	127	-	4,169	4,296
Total comprehensive income for the period	-	-	127	-	8,830	8,957
Dividends paid	-	-	-	-	-	-
<b>At 31 December 2021</b>	<b>4,900</b>	<b>9</b>	<b>3,197</b>	<b>69</b>	<b>89,996</b>	<b>98,171</b>
<i>Company</i>						
At 1 January 2021	4,900	9	-	636	70,665	76,210
<b>Total comprehensive income for the period</b>						
Profit for the financial year	-	-	-	-	1,296	1,296
Other comprehensive income	-	-	-	-	3,198	3,198
Total comprehensive income for the period	-	-	-	-	4,494	4,494
Dividends paid	-	-	-	-	-	-
<b>At 31 December 2021</b>	<b>4,900</b>	<b>9</b>	<b>-</b>	<b>636</b>	<b>75,159</b>	<b>80,704</b>

The notes on pages 22 to 46 form part of these financial statements.

# Anglia Maltings (Holdings) Limited

---

## Notes to the financial statements

### 1 Accounting policies

#### General information

Anglia Maltings (Holdings) Limited ("AMH") operates three divisions: a maltings division, which operates seven malting facilities, and two food ingredients divisions.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of the registered office is Fakenham Road, Great Ryburgh, Fakenham, Norfolk, NR21 7AS.

#### Accounting convention

These financial statements are prepared on the going concern basis, under the historical cost convention, except that the following assets and liabilities are stated at their fair value: derivative financial instruments, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"). The principal accounting policies are set out below and have been applied consistently to all the years presented unless otherwise stated. The presentation currency of these financial statements is sterling.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

#### Basis of consolidation

The financial statements incorporate the financial statements of Anglia Maltings (Holdings) Limited and all its subsidiary undertakings. Intra-group sales and profits are eliminated fully on consolidation and uniform accounting policies are adopted across the group.

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

As permitted by Section 408 of the Companies Act 2006, the parent company's profit and loss account has not been included in these financial statements.

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

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- Key Management Personnel compensation has not been included a second time; and
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

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

# Anglia Maltings (Holdings) Limited

---

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### Going concern

The Directors have considered the group's business activities together with the factors likely to affect its future development, its financial position and financial risk management objectives and risk are set out below. Based on this they have prepared forecasts covering a period to 31 December 2022, which support their opinion that the going concern basis remains appropriate.

The Group refinanced in 2022 with a new £93m asset-based lending facility as its primary source of liquidity, which commenced in July 2022. £23m of this facility is in the form of a term loan with fixed annual repayments of £1.28m. The remaining £70m is in the form of an asset-based lending secured against certain debtors and inventory of the group. The facility expires in July 2025.

Management has prepared forecasts for the period to 31 December 2024, including plausible downside scenarios. None of the scenarios impacted the business in a way that liquidity levels were unsustainable. These forecasts also show that no breach of covenants is expected and an appropriate level of headroom is maintained.

The forecasts prepared by the directors indicate that the group has adequate resources to service its long-term liabilities and continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of the financial statements. Accordingly, the group has adopted the going concern basis in preparing these financial statements.

#### Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Tangible fixed assets include investment property whose fair value cannot be measured reliably without undue cost or effort. Certain items of tangible fixed assets that had been revalued to fair value on or prior to the date of transition to FRS 102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

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

■ buildings	20 - 50 years
■ plant and equipment	3 – 25 years
■ transport	6 years

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



# Anglia Maltings (Holdings) Limited

---

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### Research and development

Research and development expenditure is written off as incurred.

#### Stocks and work-in-progress

Stocks and work-in-progress are valued at the lower of cost and net realisable value. Production overhead costs, where appropriate, are included in the value of stocks and work-in-progress. Where necessary a provision is made for obsolete, slow-moving and defective stocks.

#### Leases

##### Operating lease

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

##### Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

#### Foreign currency

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

Exchange gains and losses arising on transactions in foreign currency are reported as part of the profit and loss account.

Monetary assets and liabilities denominated in foreign currency balances are translated into sterling at either the applicable rate of exchange or the year end rate of exchange.

The Group financial statements are presented in pounds sterling and rounded to thousands. The Company's functional and presentational currency is the pound sterling.

#### Interest receivable and interest payable

Interest payable and similar expenses include interest payable, finance expenses on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are expensed as incurred.

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

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

# Anglia Maltings (Holdings) Limited

---

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### Business combinations

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

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

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

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

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

FRS 102.35 grants certain exemptions from the full requirements of FRS 102 in the transition period. The group elected not to restate business combinations that took place prior to 4 May 2014. In respect of acquisitions prior to 4 May 2014, goodwill is included on the basis of its deemed cost, which represents the amount recorded under old UK GAAP. Intangible assets previously included in goodwill are not recognised separately.

#### Joint Ventures

Joint ventures are joint arrangements whereby the company and other parties that have joint control of the arrangement have rights to the net assets of the joint venture. The parties to the arrangement have agreed contractually that control is shared and decisions regarding relevant activities require unanimous consent of the parties which have a joint control of the joint venture. Investments in joint ventures and associates are initially carried in the balance sheet at cost and adjusted by post-acquisition changes in the Group's share of net assets of the joint venture or associate, less any impairment in the value of individual investments. Losses of joint ventures and associates in excess of the group's interest in those joint ventures and associates are only recognised to the extent that the Group is contractually liable for, or has a constructive obligation to meet. Unrealised gains and losses on transactions with joint ventures and associates are eliminated to the extent of the Group's interest in the relevant joint venture or associate.

#### Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight line method. The estimated useful lives are as follows:

- Goodwill 20 years

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date. Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred. Expenditure on research activities is recognised in the profit and loss account as an expense as incurred. Intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that an intangible asset may be impaired.

#### Goodwill

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

# Anglia Maltings (Holdings) Limited

---

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### *Negative goodwill*

Negative goodwill arising on business combinations in respect of acquisitions is included on the balance sheet immediately below any positive goodwill and released to the profit and loss account in the periods in which the non-monetary assets arising on the same acquisition are recovered. Any excess exceeding the fair value of non-monetary assets acquired shall be recognised in profit or loss in the periods expected to benefit.

#### *Amortisation*

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

#### **Employee benefits**

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

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

##### **Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability (asset) taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the Company's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Company recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Remeasurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

##### **Termination benefits**

Termination benefits are recognised as an expense when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

##### **Related Party Transactions**

The Group discloses transactions with related parties which are not wholly owned within the same Group.

# Anglia Maltings (Holdings) Limited

---

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### Long term incentive plan

The Group operates cash-settled long term incentive plan at an operating business level for certain members of management. A liability for the plan is raised on the estimated amount payable in terms of the incentive scheme plan.

#### Revenue

Revenue represents the income received on the sale of malt and food ingredients products in the ordinary course of business, excluding VAT. Revenue is recognised at the point of despatch or collection of the goods, dependent upon the contractual terms and conditions of sale, at the point at which the risks and rewards of ownership are transferred.

#### Financial instruments

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

#### Trade and other debtors / creditors

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

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

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

#### Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

#### Cash and cash equivalents

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

#### Other financial instruments

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

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

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

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### Derivative financial instruments and hedging

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

#### Fair value hedges

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

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

#### Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in Other comprehensive income. Any ineffective portion of the hedge is recognised immediately in profit or loss.

For cash flow hedges, where the forecast transactions resulted in the recognition of a non-financial asset or non-financial liability, the hedging gain or loss recognised in OCI is included in the initial cost or other carrying amount of the asset or liability. Alternatively when the hedged item is recognised in profit or loss the hedging gain or loss is reclassified to profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

#### Impairment excluding stocks, investment properties and deferred tax assets

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

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

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

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### *Non-financial assets*

The carrying amounts of the Company's non-financial assets, other than investment property, stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in the profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss.

#### **Taxation**

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

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

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

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### **Share Capital**

Ordinary shares are classified as equity.

### 2 Critical accounting judgements and estimation uncertainty

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

## Notes to the financial statements (continued)

### 2 Critical accounting judgements and estimation uncertainty (continued)

The nature of estimation means that actual outcomes could differ from the estimates made. The following accounting estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and therefore the income and expenses recognised within the next financial year.

#### Key accounting estimates and assumptions

- The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 22 for the disclosures relating to the defined benefit pension scheme.
- The inventory provision is calculated by the management considering historical loss experiences, the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 16 for the net carrying amount of inventory.
- At the reporting date, the company has a £947k net asset in respect of interest rate swaps. These have been valued based on the present value sum of the difference between the fixed payments and floating payments (based on market projections at that moment) until maturity.
- Management considers a number of factors when estimating accruals. See note 18 for the net carrying amount of the accruals.

### 3 Revenue

Revenue and operating profit relate to the operation of seven Maltings facilities and the manufacture of cereal based food ingredients, including related transportation.

Revenue by destination	United Kingdom	Rest of Europe	Rest of World	Total	Exports as a % of total
	£'000	£'000	£'000	£'000	
<b>2022</b>	<b>133,347</b>	<b>69,637</b>	<b>12,706</b>	<b>215,690</b>	<b>38%</b>
2021	99,981	63,649	12,109	175,739	43%

# Anglia Maltings (Holdings) Limited

## Notes to the financial statements (continued)

<b>4 Net operating costs</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Net operating costs are made up as follows:		
Change in stocks of finished goods and work in progress	9,311	(3,293)
Raw materials and consumables	142,658	117,737
Other external charges	27,844	22,157
Staff costs (note 8)	15,422	14,832
Depreciation of owned tangible assets (note 13)	5,340	8,099
Write off of owned tangible assets (note 13)	1,785	-
Amortisation of goodwill (note 12)	598	598
Derivative financial instruments	(668)	-
(Profit) on sale of fixed assets	-	-
Non-recurring costs – redundancy	-	-
Other operating charges	8,411	7,945
Total other operating charges	8,411	7,945
Fees payable to the company's auditor and its subsidiaries for the audit of the parent company and the consolidated financial statements	160	147
Hire of plant and machinery	121	112
Other hire charges	74	69
Research and development	27	29
	<b>211,083</b>	<b>168,432</b>

<b>5 Other operating income</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Insurance claim income	4,319	-

<b>6 Net interest payable</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Interest receivable	(57)	-
Interest payable on bank loan and overdrafts	1,871	495
	<b>1,814</b>	<b>495</b>

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Fees to non-executive directors	178	181
Aggregate emoluments	1,009	1,120
Defined contribution pension scheme contributions	52	20
	<b>1,239</b>	<b>1,321</b>

The emoluments of the highest paid director were £347k (2021: £288k) of which £20k (2021: £nil) relates to defined contribution pension scheme contributions.

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Retirement benefits are accruing to the following number of directors under: - defined contribution pension scheme	4	3



# Anglia Maltings (Holdings) Limited

## Notes to the financial statements (continued)

### 7 Directors' emoluments

Key management compensation.

Key management includes members of senior management.

The compensation paid or payable for services is shown below:

	2022 £'000	2021 £'000
Salaries and other short term benefits	<u>633</u>	<u>892</u>

### 8 Employee numbers and costs

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Group and company				
Wages and salaries	13,033	12,577	9,378	9,080
Social security costs	1,486	1,403	1,013	965
Other pension costs (note 22)	619	556	593	532
Other insurance benefits	<u>284</u>	<u>296</u>	<u>259</u>	<u>274</u>
	<u>15,422</u>	<u>14,832</u>	<u>11,243</u>	<u>10,851</u>

The average monthly number of employees, including executive directors, of the group and company during the year was as follows:

	Group		Company	
	2022 Number	2021 Number	2022 Number	2021 Number
Production	220	222	149	147
Administration	102	94	81	72
Distribution	39	36	29	27
Sales	<u>10</u>	<u>11</u>	<u>7</u>	<u>8</u>
	<u>371</u>	<u>363</u>	<u>266</u>	<u>254</u>

### 9 Taxation on profit

a) The taxation charge represents:

	2022 £'000	2021 £'000
<b>Current tax</b>		
United Kingdom corporation tax on profits of the year at 19.0% (2021: 19.0%)	1,348	1,281
Adjustments in respect of previous periods	159	(570)
Expenses not deductible for tax purposes	216	192
Foreign tax	<u>(93)</u>	<u>(117)</u>
Total current tax	<u>1,630</u>	<u>786</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	516	172
Adjustments in respect of previous periods	(198)	251
Adjustment arising from the change in tax rates	<u>165</u>	<u>874</u>
Total deferred tax	<u>483</u>	<u>1,297</u>
Taxation on profit	<u>2,113</u>	<u>2,083</u>
b) Tax (income) included in other comprehensive income	<u>(644)</u>	<u>941</u>

# Anglia Maltings (Holdings) Limited

## Notes to the financial statements (continued)

### 9 Taxation on profit (continued)

#### c) Reconciliation of tax charge:

The tax assessed for the year is higher (2021: higher) than the standard effective rate of corporation tax in the United Kingdom for the year ended 31 December 2022 of 19.0% (2021:19.0%). The differences are explained as follows:

	2022 £'000	2021 £'000
Profit on ordinary activities before tax	<u>7,096</u>	<u>6,744</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 19.00% (2021: 19.00 %)	1,348	1,281
Effects of:		
Permanent differences	516	172
Expenses not deductible for tax purposes	216	192
Adjustment in respect of previous periods	(39)	(319)
Adjustment arising from the change in tax rates	165	874
Group relief surrendered for nil consideration	-	(10)
Foreign tax	(93)	(117)
R&D expenditure	-	6
Other timing differences	-	4
Tax charge for the year	<u>2,113</u>	<u>2,083</u>

#### d) Factors affecting future tax charge:

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2018, and the UK deferred tax asset has been calculated based on this rate. In the 11 March 2020 Budget, it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020. This will have a consequential effect on the Company's future tax charge.

### 10 Dividends

Payments of dividends were made to Anglia Maltings (Holdings) Limited during the year on the ordinary shares in issue as follows:

Date	Number of ordinary shares	Pence per share	Dividend £'000
<b>2022</b>			
30 December 2022	4,900,807	0.00	<u>-</u>
<b>2021</b>			
30 December 2021	4,900,807	0.00	<u>-</u>

### 11 Company profit

	2022 £'000	2021 £'000
The company profit for the financial year dealt with in the financial statements was:	<u>6,175</u>	<u>1,296</u>

# Anglia Maltings (Holdings) Limited

## Notes to the financial statements (continued)

### 12 Intangible assets

	Group Goodwill
	£'000
<b>Cost</b>	
At 1 January 2022	12,104
Additions	-
<b>At 31 December 2022</b>	<b>12,104</b>
<b>Amortisation</b>	
At 1 January 2022	3,637
Charge for the year	598
<b>At 31 December 2022</b>	<b>4,235</b>
<b>Net book amount</b>	
<b>At 31 December 2022</b>	<b>7,869</b>
At 31 December 2021	8,467

### 13 Tangible assets

Group	Freehold land and buildings	Plant, equipment and transport	Total
	£'000	£'000	£'000
<b>Cost or valuation</b>			
At 1 January 2022	28,776	112,180	140,961
Additions	256	4,252	4,508
Asset write down	-	(2,331)	(2,331)
Disposals	-	(263)	(263)
<b>At 31 December 2022</b>	<b>29,032</b>	<b>113,838</b>	<b>142,870</b>
<b>Accumulated depreciation</b>			
At 1 January 2022	10,726	68,773	79,499
Charge for the year	52	5,288	5,340
Asset write down	-	(546)	(546)
Disposals	-	(165)	(165)
<b>At 31 December 2022</b>	<b>10,778</b>	<b>73,350</b>	<b>84,128</b>
<b>Net book amount</b>			
<b>At 31 December 2022</b>	<b>18,254</b>	<b>40,488</b>	<b>58,742</b>
At 31 December 2021	18,050	44,264	62,314

Included in the cost or valuation of freehold land and buildings as at 31 December 2022, is an amount of £5,189,000 (2020: £5,189,000) in respect of land which is not depreciated.

On the adoption of FRS 102 the group has elected to retain the 1994 valuation as deemed historical cost and not to adopt a policy of revaluation going forward. Included within land which is not depreciated above is an amount of £636,000 (2021: £636,000) held at valuation. The historic cost is considered to be £nil (2021: £nil).

# Anglia Maltings (Holdings) Limited

## Notes to the financial statements (continued)

### 13 Tangible assets (continued)

Company	Freehold land and buildings £'000	Plant, equipment and transport £'000	Total £'000
<b>Cost or valuation</b>			
At 1 January 2022	20,640	56,928	77,568
Additions	256	1,973	2,229
Disposals	-	(91)	(91)
<b>At 31 December 2022</b>	<b>20,896</b>	<b>58,810</b>	<b>79,706</b>
<b>Accumulated depreciation</b>			
At 1 January 2022	6,549	34,460	41,009
Charge for the year	28	2,787	2,815
Disposals	-	(11)	(11)
<b>At 31 December 2022</b>	<b>6,577</b>	<b>37,236</b>	<b>43,813</b>
<b>Net book amount</b>			
<b>At 31 December 2022</b>	<b>14,319</b>	<b>21,574</b>	<b>35,893</b>
At 31 December 2021	14,091	22,468	36,559

Included in the cost or valuation of freehold land and buildings as at 31 December 2022, is an amount of £5,189,000 (2021: £5,189,000) in respect of land which is not depreciated.

### 14 Investments (Company)

#### Subsidiaries

The company's subsidiaries as at 31 December 2022 and 2021 are:

Subsidiary	Registered Address
AM Developments Limited*	Great Ryburgh, Fakenham, Norfolk, NR21 7AS, England
A M Group Limited*	Great Ryburgh, Fakenham, Norfolk, NR21 7AS, England
Anglia Maltings Limited*	Great Ryburgh, Fakenham, Norfolk, NR21 7AS, England
Crisp Malting Limited*	Great Ryburgh, Fakenham, Norfolk, NR21 7AS, England
Crisp Malting Group Limited*	Great Ryburgh, Fakenham, Norfolk, NR21 7AS, England
Edme Limited*	Mistley, Manningtree, Essex, CO11, 1HG, England
Brewcraft Limited*	Mistley, Manningtree, Essex, CO11, 1HG, England
F & G Smith Limited*	Great Ryburgh, Fakenham, Norfolk, NR21 7AS, England
Gleneagles Maltings Limited*	Portgordon Maltings, Portgordon, Buckie, Banffshire, AB56 5BU
Portgordon Maltings Limited*	Portgordon, Buckie, Banffshire, AB56 5BU, Scotland
Mistley Waterworks Limited*	Great Ryburgh, Fakenham, Norfolk, NR21 7AS, England
Micronized Food Products Limited*	Great Ryburgh, Fakenham, Norfolk, NR21 7AS, England
Crisp Malt GmbH***	Reichsbahnstr. 99, D-22525 Hamburg, Germany
Crisp Malt Sp. z o.o.***	Ul. Fordonska 400, 85-790 Bydgoszcz, Poland
Edme GmbH**	Reichsbahnstr. 99, D-22525 Hamburg, Germany
Beggarstaff Insurance Limited****	St Peter Port, Guernsey, GY1 1EJ
Navara Oat Milling Limited**	Northants Apc, Rushton Road, Kettering, NN14 1FL

The company controls 100% of the issued share capital of each of the subsidiaries listed above, each of which is consolidated into the group's financial statements using the principles of acquisition accounting and has an accounting reference date of 31 December.

\*These subsidiaries have been dormant for this financial year and the previous financial year.

\*\*The principal activity of this subsidiary is that of a food ingredients manufacturer.

\*\*\*The principal activity of these subsidiaries is Maltsters.

\*\*\*\*The principal activity of this subsidiary is an insurance captive.

# Anglia Maltings (Holdings) Limited

## Notes to the financial statements (continued)

During 2021, the Group entered into a joint venture that has invested in a new oat milling facility in Kettering, UK. The joint venture is called Navara Oat Milling Limited and is a partnership between AMH, Frontier Agriculture and Camgrain. The investment in the year amounted to £3,960k.

The company controls 37.5% of the issued share capital of this subsidiary as a joint venture.

	2022 £'000	2021 £'000
The investments are recorded at cost as follows:		
At 1 January	43,590	37,965
Additions	3,960	5,625
Joint venture earnings	(51)	-
At 31 December	47,499	43,590

The directors believe that the carrying values of the investments are supported by their recoverable amount.

### 15 Investment (Joint Venture)

	Investment £'000
At 1 <sup>st</sup> January 2022	5,625
Additions	3,960
Joint venture earnings	(51)
At 31 December 2022	<u>9,534</u>

### 16 Stocks

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Raw materials and consumables	78,603	51,126	60,345	41,504
Work-in-progress and finished goods	<u>21,143</u>	<u>11,832</u>	<u>11,772</u>	<u>7,813</u>
	<u>99,746</u>	<u>62,958</u>	<u>72,117</u>	<u>49,317</u>

The replacement cost of stocks does not differ materially from the values disclosed above. Stocks are stated after provisions for impairment of Group £1,349k (2021: £1,349k) and Company £1,349k (2021: £1,349k). Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £142,530k (2021: £114,444k).

### 17 Debtors

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade debtors	38,194	27,705	21,201	14,736
Corporation tax	159	19	-	-
Amounts due from group undertakings	-	-	27,348	11,734
Other debtors	6,374	1,882	5,649	2,403
Derivative financial instruments	953	87	953	87
Prepayments and accrued income	<u>4,745</u>	<u>1,102</u>	<u>3,204</u>	<u>1,066</u>
	<u>50,425</u>	<u>30,795</u>	<u>58,355</u>	<u>30,026</u>

Amounts due from group undertakings are unsecured, interest free and repayable on demand. Trade debtors are stated after provisions for impairment of Group £970k (2021: £656k) and Company £634k (2020: £604k).

# Anglia Maltings (Holdings) Limited

## Notes to the financial statements (continued)

18 Creditors: amounts due within one year	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Bank loans (note 20)	1,285	3,820	1,285	3,820
Bank overdrafts	63,910	25,076	63,910	25,076
Trade creditors	12,863	10,650	7,307	6,872
Amounts owed to group undertakings	9,031	9,031	20,389	19,093
Taxation and social security	773	15	271	13
Derivative financial instruments	520	53	520	53
Accruals and deferred income	12,133	6,269	11,508	8,488
	<u>100,515</u>	<u>54,914</u>	<u>105,190</u>	<u>63,415</u>

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

19 Creditors: amounts due after more than one year	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Bank loan (note 20)	<u>21,818</u>	<u>16,325</u>	<u>21,818</u>	<u>16,325</u>

## 20 Bank loan

The original bank loan is for a period of ten years from 16 February 2016. During 2022, the Group borrowed a further £5.1m, also due over a ten year period. The loans are repayable by quarterly instalments and is secured by fixed and floating charges on the assets of Anglia Maltings (Holdings) Limited. The bank loans were refinanced in 2022 for the longer term.

The maturity profile of the bank loan:

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
In one year or less	1,285	3,820	1,285	3,820
Between one and two years	1,285	4,293	1,285	4,293
Between two and five years	20,533	12,032	20,533	12,032
	<u>23,103</u>	<u>20,145</u>	<u>23,103</u>	<u>20,145</u>

# Anglia Maltings (Holdings) Limited

## Notes to the financial statements (continued)

### 21 Deferred tax liability

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Accelerated capital allowances	3,864	1,388	2,907	646
Other timing differences	639	1,501	632	1,361
Deferred tax liability acquired on acquisition	505	753	-	-
Retirement benefits	(643)	884	(901)	884
	<u>4,365</u>	<u>4,526</u>	<u>2,638</u>	<u>2,891</u>

### Movement during the year

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
At 1 January	4,526	2,288	2,891	877
Deferred tax credit in profit and loss account (note 9)	483	1,297	391	1,073
Deferred tax (credited) to the statement of comprehensive income	(644)	941	(644)	941
<b>At 31 December</b>	<u>4,365</u>	<u>4,526</u>	<u>2,638</u>	<u>2,891</u>

Deferred tax has been calculated at 25% (2021: 19%).

# Anglia Maltings (Holdings) Limited

## Notes to the financial statements (continued)

### 22 Retirement benefits

The group operates a contributory defined benefit pension scheme, which provides benefits based on final pensionable salary. The group closed membership of its scheme to any employees who commenced employment after 28 March 2000.

On 29 March 2000, the group introduced a defined contribution pension scheme for new employees. The assets are held independently from those of the company in individual member funds.

#### Defined benefit scheme (Anglia Maltings (Holdings) Limited – Group and Company)

The latest triennial actuarial valuation of the defined benefit scheme was carried out as at 6 April 2020.

This produced a deficit of scheme assets over liabilities of £13m. Consideration was given to the impact of COVID-19 on mortality rates, however it was concluded that it is too early to determine to what extent these would be impacted. This would be reviewed at the next valuation. Since the valuation this has been updated to 31 December 2022 by qualified independent actuaries in accordance with FRS 102.

A summary of the UK and German scheme is detailed below:

Analysis of the amount charged to other finance credits:	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Net interest credit/(charge) - UK	<b>13</b>	<b>(52)</b>
Net interest (charge) - Germany	<b>(29)</b>	<b>(16)</b>
	<b>(16)</b>	<b>(68)</b>
Total actuarial (losses)/gains recognised in the statement of comprehensive income:		
UK	<b>(3,604)</b>	<b>4,653</b>
Germany	<b>1,030</b>	<b>299</b>
	<b>(2,574)</b>	<b>4,952</b>
Balance recognised in the Consolidated Balance Sheet:		
Recognisable (deficit)/surplus:		
UK	<b>(2,937)</b>	<b>626</b>
Germany	<b>(1,920)</b>	<b>(2,817)</b>
	<b>(4,857)</b>	<b>(2,191)</b>
The major assumptions used by the actuaries were:	<b>2022</b>	<b>2021</b>
	<b>%</b>	<b>%</b>
Rate of increase in pensions in payment	<b>2.50</b>	<b>2.50</b>
Discount rate	<b>4.75</b>	<b>1.80</b>
RPI rate of inflation	<b>3.20</b>	<b>3.45</b>
CPI rate of inflation	<b>2.80</b>	<b>3.05</b>
The mortality assumptions used were as follows:	<b>2022</b>	<b>2021</b>
	<b>Years</b>	<b>Years</b>
Longevity at age 65 for current pensioners:		
- Men	<b>21.0</b>	<b>21.2</b>
- Women	<b>23.5</b>	<b>23.6</b>
Longevity at age 65 for future pensioners:		
- Men	<b>22.3</b>	<b>22.5</b>
- Women	<b>25.0</b>	<b>25.1</b>



# Anglia Maltings (Holdings) Limited

## Notes to the financial statements (continued)

### 22 Retirement benefits (continued)

The assets in the scheme and the long term expected rate of return were:

	2022	2021
	Value £'000	Value £'000
Equities	-	20,291
Bonds	9,621	13,407
Gilts and LDI	11,468	8,908
Diversified Growth Fund	5,458	5,360
Annuities	4,809	5,799
Cash/Other	1,881	(888)
Total market value of assets	33,237	52,877
Present value of scheme liabilities	(36,174)	(52,251)
Recognisable (deficit)/surplus	(2,937)	626

Cash/Other relates to the net of liabilities due to the employer.

Reconciliation of present value of scheme liabilities	2022 £'000	2021 £'000
At 1 January	52,251	59,993
Current service cost	109	154
Member contributions	44	53
Interest cost	957	708
Actuarial gain	(14,980)	(6,611)
Benefits paid	(2,207)	(2,046)
At 31 December	36,174	52,251

Reconciliation of fair value of scheme assets	2022 £'000	2021 £'000
At 1 January	52,877	55,105
Re-measurement losses		
- Return on plan assets excluding interest income	(18,584)	(1,958)
Interest on assets	970	656
Contributions paid by employer	137	1,067
Member contributions	44	53
Benefits paid	(2,207)	(2,046)
At 31 December	33,237	52,877

Insured annuities exist in the current and prior year. In line with FRS 102, the related scheme asset and liability in relation to these have been included.

Scheme assets do not include any of Anglia Maltings (Holdings) Limited's own financial instruments, or any property occupied by Anglia Maltings (Holdings) Limited.

# Anglia Maltings (Holdings) Limited

## Notes to the financial statements (continued)

### 22 Retirement benefits (continued)

The expected returns on scheme assets have been based on the current split by investment sector of the assets of the scheme, using average expected returns on each sector.

	2022 £'000	2021 £'000
Analysis of the amount charged to operating profit (within staff costs):		
Current service cost	109	154
	<u>109</u>	<u>154</u>
Analysis of the amount charged to other finance credits:	2022 £'000	2021 £'000
Net interest (charge)/credit	<u>13</u>	<u>(52)</u>
Analysis of the amount credited/(charged) to the statement of comprehensive income	2022 £'000	2021 £'000
Actuarial gains on scheme liabilities	14,980	6,611
Actuarial losses on scheme assets	(18,584)	(1,958)
Total actuarial (losses)/gains recognised in the statement of comprehensive income	<u>(3,604)</u>	<u>4,653</u>

Amounts for current and previous four years:	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Defined benefit obligation	36,174	52,251	59,993	53,343	50,063
Plan assets	33,237	52,877	55,105	51,594	48,146
(Deficit)/surplus	(2,937)	626	(4,888)	(1,749)	(1,917)
Experience adjustments on plan assets	20,584	42	2,022	3,970	(2,684)
Total actuarial gains and (losses) recognised in the statement of comprehensive income	(3,604)	4,653	(6,709)	204	(1,499)

The company expects to contribute 24.9% of total pensionable pay per month to the Anglia Maltings (Holdings) Limited pension fund in 2023.

#### Defined contribution scheme

Contributions due in respect of the defined contribution scheme amounted to £510,000 (2021: £402,000). At the year-end there were no contributions payable in other creditors (2021: nil).

#### Defined benefit scheme (Crisp Malt GmbH – Group Balance Sheet only)

Crisp Malt GmbH has unfunded defined-benefit pension obligations in respect of a number of their employees, former employees, and dependants. New employees are not included in the obligations, but existing obligations continue to accrue for some employees. A valuation of the pension obligations was undertaken by Rüß, Dr. Zimmermann und Partner (GbR) as at 31 December 2022.

# Anglia Maltings (Holdings) Limited

## Notes to the financial statements (continued)

### 22 Retirement benefits (continued)

The major assumptions used by the actuary were:

	2022 %	2021 %
Pensionable salary growth	0.00	0.00
Rate of increase of pensions in payment	2.20	1.75
Discount rate	3.60	1.00
Rate of inflation	2.20	1.75

The mortality assumptions used were as follows:

	2022 Years	2021 Years
Longevity at age 65 for current pensioners:		
- Men	21.0	21.2
- Women	23.5	23.6
Longevity at age 65 for future pensioners:		
- Men	22.3	22.5
- Women	25.0	25.1

### Reconciliation of fair value of scheme assets

There were no assets held in this scheme during the financial year.

### Reconciliation of present value of scheme liabilities

	2022 £'000	2021 £'000
At 1 January (deficit)	(2,817)	(3,397)
Interest cost	(29)	(16)
Actuarial gain	1,030	299
Benefits paid	54	55
Foreign translation differences	(158)	242
<b>At 31 December (deficit)</b>	<b>(1,920)</b>	<b>(2,817)</b>
Analysis of the amount charged to other finance credits:	2022 £'000	2021 £'000
Net interest (charge)	(29)	(16)
Total	(29)	(16)
Analysis of the amount charged to the statement of comprehensive income:	2022 £'000	2021 £'000
Actuarial gain on scheme liabilities	1,030	299
<b>Amounts for current year:</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Defined benefit deficit	(1,920)	(2,817)

# Anglia Maltings (Holdings) Limited

## Notes to the financial statements (continued)

### 23 Financial instruments

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Forward exchange contracts used for hedging	7	87	7	87
Interest rate swaps used for hedging	946	-	946	-
Forward contracts used for hedging	(264)	(53)	(264)	(53)
Financial liabilities measured at fair value through profit or loss (futures)	(256)	-	(256)	-
	<u>433</u>	<u>34</u>	<u>433</u>	<u>34</u>

### Derivative financial instruments

The group enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency receivables. The group applies cash flow hedge accounting where possible to these foreign currency exchange risks. At 31 December 2022, the outstanding contracts all matured within 13 months (2021: 18 months) of the year end. The group is committed to sell €6,189k (2021: €3,158k) and \$697k (2021: \$2,998k) and receive a fixed sterling amount of: £5,432k (2021: £2,751k) and £583k (2021: £2,225k).

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for GBP:EUR and GBP:USD. The fair value of the forward-foreign currency contracts is £5,928k (2021: £5,010k).

The group also enters into an interest rate swap to mitigate the interest rate risk for its term loans. The interest rate swap for which hedge accounting was applied, was entered into to hedge the floating element of the term loan. The interest rate swap is measured at fair value, using Mark to Market reports supplied by the third party provider of the instrument.

### 24 Called up share capital and reserves

	Group and company	
	2022	2021
	£'000	£'000
<b>Authorised</b>		
6,500,000 ordinary shares of £1 each	<u>6,500</u>	<u>6,500</u>
<b>Allotted, called up and fully paid</b>		
4,899,807 ordinary shares of £1 each	<u>4,900</u>	<u>4,900</u>

There is only one class of Ordinary shares.

### 25 Capital commitments

	Group and company	
	2022	2021
	£'000	£'000
Future capital expenditure contracted by the directors and not provided for in these financial statements:		
Not later than one year	2,201	4,200
Later than one year and not later than five years	-	990
	<u>2,201</u>	<u>5,190</u>

# Anglia Maltings (Holdings) Limited

## Notes to the financial statements (continued)

### 26 Operating lease commitments

	Group and company	
	2022 £'000	2021 £'000
The Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:		
<b>Motor Vehicles</b>		
Not later than one year	40	35
Later than one year and not later than five years	61	35
	<u>101</u>	<u>70</u>

### 27 Net cash inflow from operating activities

	2022 £'000	2021 £'000
Operating profit	8,926	7,307
Depreciation charge	5,340	8,099
Asset write off	1,785	-
Amortisation charge	598	598
Difference between pension (credit) and cash contributions	(28)	(913)
Proceeds on disposal of fixed assets	-	(308)
(Increase) in stocks	(36,788)	(6,820)
(Increase)/Decrease in debtors	(19,630)	3,032
Increase/(Decrease) in creditors	9,969	(7,842)
Net cash inflow from operating activities	<u>(29,830)</u>	<u>3,153</u>

### 28 Reconciliation of net cash flow to movements in net debt

	2022 £'000	2021 £'000
(Decrease)/increase in cash in year	(37,385)	(9,009)
New Loan	(5,113)	(5,479)
Cash outflow from change in debt	<u>2,154</u>	<u>3,668</u>
Movement in net debt in the year	(40,344)	(10,820)
Net debt at 1 January	<u>(39,252)</u>	<u>(28,432)</u>
Net debt at 31 December	<u>(79,596)</u>	<u>(39,252)</u>

# Anglia Maltings (Holdings) Limited

## Notes to the financial statements (continued)

### 29 Analysis of changes in net debt

	2021 £'000	Cash flow £'000	2022 £'000
Cash at bank and in hand	5,968	1,449	7,417
Bank overdraft	(25,076)	(38,834)	(63,910)
	(19,108)	(37,385)	(56,493)
Bank loans			
Debt due after one year	(16,324)	(5,494)	(21,818)
Debt due within one year	(3,820)	2,535	(1,285)
	(20,144)	(2,959)	(23,103)
Net debt	(39,252)	(40,344)	(79,596)

### 30 Non-GAAP Measures

The group presents EBITDA, adjusted EBITDA (adjusted in the same manner) and ROCE as management believes that this is an important metric for the shareholders. The group uses adjusted measures to evaluate performance and as a method to provide shareholders with clear and consistent reporting. See below reconciliations for the respective adjusted measures.

EBITDA	2022 £'000	2021 £'000
Operating profit (EBIT)	8,926	7,307
Net finance costs	(1,830)	(563)
Profit before tax	7,096	6,744
Income tax expense	(2,113)	(2,083)
Profit attributable to equity shareholders	4,983	4,661
Profit for the year	4,983	4,661
Income tax credit/(expense)	2,165	2,083
Net finance cost	1,830	563
Depreciation and amortisation	5,938	8,697
EBITDA	14,916	16,004

ROCE	2022 £'000	2021 £'000
Total assets	233,733	176,127
Current liabilities	(131,555)	(77,956)
Capital employed	102,178	98,171
EBIT	8,926	7,307
ROCE	8.7%	7.4%

## Notes to the financial statements (continued)

### 31 Ultimate holding company and related party transactions

The company's immediate and ultimate controlling company is Ragleth Limited, a company incorporated in Great Britain and registered in England and Wales, by virtue of its ownership of 100% of the equity and voting rights of the company.

Ragleth Limited forms the largest group to consolidate these financial statements. Copies of the consolidated group financial statements of Ragleth Limited are available from its registered office at Great Ryburgh, Fakenham, Norfolk, NR21 7AS. Anglia Maltings (Holdings) Limited forms the smallest group to consolidate a set of financial statements.

At year end, 31<sup>st</sup> December 2022, no single person or entity was considered to control Ragleth Limited and as such there is no ultimate controlling party. As at the date of signing, Ragleth Limited had been acquired by Richardson Malting (UK) Limited – see note 32.

Details relating to Key Management Personnel can be found in note 7.

### 32 Post Balance Sheet Event

In July 2023, Richardson Malting (UK) Limited, a subsidiary of Richardson International Limited, acquired 100% of Ragleth Limited, the parent company of Anglia Maltings (Holdings) Limited. Richardson International Limited is a global leader in agriculture and food processing. Based in Winnipeg, Manitoba, Canada, the company is a worldwide handler and merchandiser of all major Canadian-grown grains and oilseeds and a vertically integrated processor and manufacturer of oats and canola-based products.