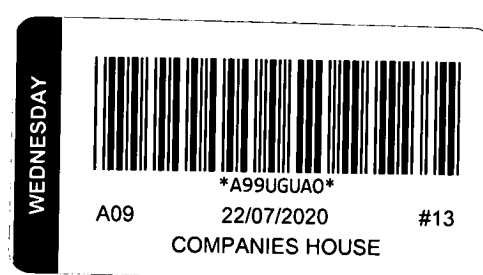


Strategic Report
Report of the Directors and
Financial Statements
for the Year Ended 31 January 2020
for
GB INGREDIENTS LIMITED



GB INGREDIENTS LIMITED

Contents of the Financial Statements
for the year ended 31 January 2020

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GB INGREDIENTS LIMITED

Company Information
for the year ended 31 January 2020

Directors: J F Chagnon
Mr A Chagnon
Dr R M Chell
F LeBlanc
V M Martins de Melo
J G Steenkamp

Secretary: A Buck

Registered office: Dock Road
Felixstowe
Suffolk
IP11 3QW

Registered number: 00269810 (England and Wales)

Auditors: Haines Watts Birmingham LLP
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

GB INGREDIENTS LIMITED

Strategic Report
for the year ended 31 January 2020

The directors present their strategic report for the year ended 31 January 2020.

Review of business

The directors are reporting a 4.8% decrease in turnover on the previous period to £26.9 million. There is an operating loss of £190,000 for the year.

2020/21 outlook

UK bread consumption is expected to remain static thus restricting any growth in the domestic markets. Sales activities remain focused on developing new business overseas and we expect to see continued growth in exports for 2020/21.

The Directors anticipate another challenging year ahead due to the current market conditions and input costs.

Principal risks and uncertainties

In the UK the company is reliant on a small number of customers for contracts which are subject to periodic competitive tender.

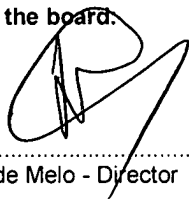
Additionally the continuing uncertainty of changes to the porosity of the borders with the EU post Brexit from a logistical and regulatory point of view must be considered a risk of the business.

Whilst our business activities are considered to be essential, we cannot underestimate the effect the COVID-19 virus will have on the business, our customers and our suppliers. Although we continue to manufacture, we are following all government and safety guidelines which places restrictions on our normal operating practices and procedures. In as far as COVID-19 impacts volumes, the baking industry has seen increased demand from plant bakeries but reduced demand from the artisanal and service sector. Demand for dry yeast has increased due to increased export demands as well as the trend to home baking as a result of the lockdown measures taken to date.

Research and development

The company has a continuing commitment to research and development. These activities are targeted to improve existing processes and to identify and exploit new product opportunities. The Company remains committed to identifying and developing, through an ongoing research and development programme, alternative products that will form a platform for the future long term sustainable growth of the Company.

On behalf of the board.



V M Martins de Melo - Director

Date:

06 May 2020

GB INGREDIENTS LIMITED

Report of the Directors for the year ended 31 January 2020

The directors present their report with the financial statements of the company for the year ended 31 January 2020.

Principal activity

The principal activity of the company in the year under review was that of the production and distribution of yeast.

Dividends

No dividends will be distributed for the year ended 31 January 2020.

Events since the end of the year

Information relating to events since the end of the year is given in the notes to the financial statements.

Directors

The directors shown below have held office during the whole of the period from 1 February 2019 to the date of this report.

J F Chagnon
Mr A Chagnon
Dr R M Chell
F LeBlanc
V M Martins de Melo
J G Steenkamp

Financial instruments

The company uses financial instruments including cash and borrowings, the main purpose of which are to raise finance for the Company's activities. It is the Company's policy not to enter into trading of a speculative nature in respect of financial instruments.

Price risk

The company is exposed to price risk on its raw material purchases.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Company. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit, using information supplied by independent rating agencies where available. At the balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Cash flow and liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they fall due. The Company ensures that there are sufficient levels of committed facilities, cash and cash equivalents to ensure that the Company is, at all times, able to meet its financial commitments. Liquidity risk is managed by continuous monitoring of forecast and actual cash flows and matching the maturity profile of financial assets and liabilities. The Company has no significant interest bearing assets and consequently, its income and cash flows are largely independent of changes in market interest rates. The interest bearing intercompany loan has a variable interest rate based upon the bank base rate and is therefore subject to fluctuations in such rates. The Company does not use interest rate swaps or other instruments to manage its interest rate exposure.

Disclosure in the strategic report

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 2.

GB INGREDIENTS LIMITED

Report of the Directors
for the year ended 31 January 2020

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Haines Watts Birmingham LLP, were appointed during the year and will be deemed to be re-appointed under section 487(2) of the Companies Act 2006.

On behalf of the board:



.....
V M Martins de Melo - Director

Date: 06 May 2020

Report of the Independent Auditors to the Members of
GB Ingredients Limited

Opinion

We have audited the financial statements of GB Ingredients Limited (the 'company') for the year ended 31 January 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The impact of uncertainties on our audit owing to COVID-19

The Directors' view on the impact of COVID-19 is disclosed in the Strategic Report on page 2, in the Accounting Policies on page 10, and in the Post Balance Sheet Events note on page 17.

Uncertainties related to the effects of COVID-19 are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the Directors, such as recoverability and valuation of assets, appropriateness of the going concern basis of preparation of the financial statements and associated disclosures. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

The COVID-19 viral pandemic is one of the most significant economic events for the UK, and at the date of this report, its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We have applied a standardised approach in response to that uncertainty when considering the Directors' assessment of the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to the COVID-19 pandemic.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Report of the Independent Auditors to the Members of
GB Ingredients Limited

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.



Kevin Hodgetts (Senior Statutory Auditor)
for and on behalf of Haines Watts Birmingham LLP
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

Date: 22-5-2020

GB INGREDIENTS LIMITED

Statement of Comprehensive Income
for the year ended 31 January 2020

	Notes	2020 £'000	2019 £'000
Turnover	3	26,975	28,348
Cost of sales		<u>(22,309)</u>	<u>(23,101)</u>
Gross profit		4,666	5,247
Distribution costs		(3,134)	(3,071)
Administrative expenses		<u>(1,722)</u>	<u>(1,600)</u>
Operating (loss)/profit	5	(190)	576
Interest payable and similar expenses	6	<u>(192)</u>	<u>(139)</u>
(Loss)/profit before taxation		(382)	437
Tax on (loss)/profit	7	<u>99</u>	<u>32</u>
(Loss)/profit for the financial year		(283)	469
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(283)</u>	<u>469</u>

The notes form part of these financial statements

GB INGREDIENTS LIMITED (REGISTERED NUMBER: 00269810)

Balance Sheet
31 January 2020

	Notes	£'000	2020 £'000	£'000	2019 £'000
Fixed assets					
Tangible assets	8		10,728		11,164
Current assets					
Stocks	9	2,198		1,750	
Debtors	10	5,689		5,894	
Cash at bank		408		183	
		8,295		7,827	
Creditors					
Amounts falling due within one year	11	14,641		14,593	
Net current liabilities			(6,346)		(6,766)
Total assets less current liabilities			4,382		4,398
Provisions for liabilities	13		371		104
Net assets			4,011		4,294
Capital and reserves					
Called up share capital	14		199		199
Share premium	15		1,600		1,600
Retained earnings	15		2,212		2,495
Shareholders' funds			4,011		4,294

The financial statements were approved by the Board of Directors and authorised for issue on 06 May 2020 and were signed on its behalf by:

.....
V M Martins de Melo - Director

The notes form part of these financial statements

GB INGREDIENTS LIMITED

Statement of Changes in Equity
for the year ended 31 January 2020

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Total equity £'000
Balance at 1 February 2018	199	2,026	1,600	3,825
Changes in equity				
Total comprehensive income	-	469	-	469
Balance at 31 January 2019	199	2,495	1,600	4,294
Changes in equity				
Total comprehensive income	-	(283)	-	(283)
Balance at 31 January 2020	199	2,212	1,600	4,011

The notes form part of these financial statements

GB INGREDIENTS LIMITED

Notes to the Financial Statements for the year ended 31 January 2020

1. **Statutory information**

GB Ingredients Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **Accounting policies**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The presentational currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's immediate parent Lallemand UK Limited includes the Company in its consolidated financial statements prepared under FRS 102. Lallemand Inc, the Company's ultimate parent undertaking also includes the Company in its consolidated financial statements. The consolidated financial statements of Lallemand Inc are prepared in accordance with Canadian GAAP Reporting Standards.

Going concern

The Company's business activities, with the factors likely to affect its future development, performance and position are set out in the business review on page 2.

The Directors have considered the financial resources, performance, and future development of the Company in order to determine the appropriate basis of preparation of these financial statements.

The Company is funded via a £12 million promissory note from its immediate parent company, Lallemand UK Limited. This is repayable on demand. Lallemand UK Limited has indicated that they will not call this payment for at least 12 months from the date of approval of these financial statements. As with any company placing reliance on other group entities for financial support, the directors' acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The Directors have assessed the cash needs of the Company for the foreseeable future based on the Company's expected revenue and cost base and consider that the Company can operate within the available facilities for the foreseeable future.

The impact of COVID-19

In response to the COVID-19 pandemic, the Directors have further considered their cash flow analysis to take into account the impact on the business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A.

GB INGREDIENTS LIMITED

Notes to the Financial Statements - continued
for the year ended 31 January 2020

2. **Accounting policies - continued**

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors' to exercise judgement in applying the Company's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements, are disclosed below:

Stock provisions

A provision is incorporated into the financial statements to reflect obsolete and slow moving stock. This is calculated on a line by line basis based on management's knowledge of the items and the results of quality testing.

Depreciation

Depreciation is calculated based on an estimate of the useful life of each category of tangible fixed assets. The directors review the period and method of depreciation when events and circumstances indicate that the useful economic life may have changed since the last reporting date.

Turnover

Turnover represents amounts invoiced to customers, net of value added tax and trade discounts, for products and services supplied.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. This is usually at the point that the customer or delivery company has signed for the delivery of the goods.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

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:

Land and buildings	-	40 years or over the lease term if this is less
Plant and machinery	-	3 to 15 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is based on the weighted average principle for all products except one which is based on the first in first out principle, and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

GB INGREDIENTS LIMITED

Notes to the Financial Statements - continued for the year ended 31 January 2020

2. Accounting policies - continued

Basic financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. 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 instrument for a similar debt instrument.

Trade and other creditors

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. 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 instrument 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.

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.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

GB INGREDIENTS LIMITED

Notes to the Financial Statements - continued
for the year ended 31 January 2020

3. Turnover

The turnover and loss (2019 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2020 £'000	2019 £'000
United Kingdom	19,742	16,967
Other	<u>7,232</u>	<u>11,382</u>
	<u>26,974</u>	<u>28,349</u>

4. Employees and directors

	2020 £'000	2019 £'000
Wages and salaries	2,422	2,535
Social security costs	272	281
Other pension costs	<u>214</u>	<u>219</u>
	<u>2,908</u>	<u>3,035</u>

The average number of employees during the year was as follows:

	2020	2019
Production, selling and administration	<u>56</u>	<u>58</u>

	2020 £'000	2019 £'000
Directors' remuneration	142	148
Directors' pension contributions to money purchase schemes	<u>12</u>	<u>12</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2020	2019
Money purchase schemes	<u>1</u>	<u>1</u>

All directors other than two were remunerated by Lallemand Group Companies during the current and previous years.

5. Operating (loss)/profit

The operating loss (2019 - operating profit) is stated after charging/(crediting):

	2020 £'000	2019 £'000
Depreciation - owned assets	1,202	988
Auditors' remuneration	16	26
Foreign exchange differences	74	(37)
Operating lease payments - plant and machinery	351	372
Hire of plant and equipment	<u>68</u>	<u>52</u>

6. Interest payable and similar expenses

	2020 £'000	2019 £'000
Interest payable	<u>192</u>	<u>139</u>

GB INGREDIENTS LIMITED

Notes to the Financial Statements - continued
for the year ended 31 January 2020

7. Taxation

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2020 £'000	2019 £'000
Current tax:		
Group relief recoverable	(318)	(136)
Adjustment in respect of prior periods	<u>(47)</u>	<u>-</u>
Total current tax	<u>(365)</u>	<u>(136)</u>
Deferred tax:		
Deferred tax	224	104
Adjustment in respect of prior periods	<u>42</u>	<u>-</u>
Total deferred tax	<u>266</u>	<u>104</u>
Tax on (loss)/profit	<u>(99)</u>	<u>(32)</u>

UK corporation tax was charged at 19% in 2019.

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £'000	2019 £'000
(Loss)/profit before tax	<u>(382)</u>	<u>437</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(73)	83
Effects of:		
Expenses not deductible for tax purposes	1	1
Adjustments to tax charge in respect of previous periods	(5)	-
Fixed asset differences	4	2
Other timing differences	<u>(26)</u>	<u>(118)</u>
Total tax credit	<u>(99)</u>	<u>(32)</u>

GB INGREDIENTS LIMITED

Notes to the Financial Statements - continued
for the year ended 31 January 2020

8. Tangible fixed assets

	Freehold property £'000	Plant and machinery £'000	Totals £'000
Cost			
At 1 February 2019	2,896	34,288	37,184
Additions	<u>-</u>	<u>766</u>	<u>766</u>
At 31 January 2020	<u>2,896</u>	<u>35,054</u>	<u>37,950</u>
Depreciation			
At 1 February 2019	2,824	23,196	26,020
Charge for year	<u>10</u>	<u>1,192</u>	<u>1,202</u>
At 31 January 2020	<u>2,834</u>	<u>24,388</u>	<u>27,222</u>
Net book value			
At 31 January 2020	<u>62</u>	<u>10,666</u>	<u>10,728</u>
At 31 January 2019	<u>72</u>	<u>11,092</u>	<u>11,164</u>

9. Stocks

	2020 £'000	2019 £'000
Raw materials and consumables	1,247	1,016
Finished goods and goods for resale	<u>951</u>	<u>734</u>
	<u>2,198</u>	<u>1,750</u>

10. Debtors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade debtors	4,341	4,512
Amounts owed by group undertakings	763	948
VAT	313	283
Prepayments and accrued income	<u>272</u>	<u>151</u>
	<u>5,689</u>	<u>5,894</u>

11. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	898	872
Amounts owed to group undertakings	12,421	12,133
Social security and other taxes	9	26
Accruals and deferred income	<u>1,313</u>	<u>1,562</u>
	<u>14,641</u>	<u>14,593</u>

Included within amounts owed to group undertakings is a £12,000,000 intercompany loan from Lallemand UK Limited repayable on demand. This loan accrues interest at LIBOR + 0.85%.

GB INGREDIENTS LIMITED

**Notes to the Financial Statements - continued
for the year ended 31 January 2020**

12. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020 £'000	2019 £'000
Within one year	132	145
Between one and five years	20	141
In more than five years	<u>111</u>	<u>113</u>
	<u>263</u>	<u>399</u>

13. Provisions for liabilities

	2020 £'000	2019 £'000
Deferred tax		
Accelerated capital allowances	392	131
Other timing differences	<u>(21)</u>	<u>(27)</u>
	<u>371</u>	<u>104</u>

	Deferred tax £'000
Balance at 1 February 2019	104
Charge to Statement of Comprehensive Income during year	224
Prior year adjustment	<u>43</u>
Balance at 31 January 2020	<u>371</u>

14. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £'000	2019 £'000
199,001	Ordinary	1	<u>199</u>	<u>199</u>

15. Reserves

	Retained earnings £'000	Share premium £'000	Totals £'000
At 1 February 2019	2,495	1,600	4,095
Deficit for the year	<u>(283)</u>		<u>(283)</u>
At 31 January 2020	<u>2,212</u>	<u>1,600</u>	<u>3,812</u>

16. Pension commitments

The company makes contributions to personal defined contribution pension schemes in respect of certain employees. The assets of the schemes are held separately from those of the company in independently administered funds. The pension charge represents contributions payable by the company to the fund and amounted to £214,000 during the year (2019: £219,000). There was a balance payable to the schemes as at 31 January 2020 of £nil (2019: £nil).

17. Related party disclosures

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

GB INGREDIENTS LIMITED

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18. Post balance sheet events

The COVID-19 viral pandemic was officially announced as present in the UK during January 2020. Under UK GAAP, the consequences of a condition present at the balance sheet date are considered to be an adjusting post balance sheet event and therefore potentially have implications for the year end balance sheet.

Having reviewed the trading conditions in the post balance sheet period, and in particular having considered the Balance Sheet carrying values of fixed assets, inventories and the recoverability of trade and other receivables, the directors are satisfied there are currently no indications of material impairment.

The directors' assessment of the impact of COVID-19 on the future development and performance of the business, and on the going concern assumption for preparation of the financial statements, is detailed in the Strategic Report and in the Accounting Policies.

19. Ultimate parent company and parent company of larger group

The company is a subsidiary undertaking of Lallemand UK Limited. The ultimate controlling party is Lallemand Incorporated, a company incorporated in Canada, which the directors regard as the ultimate holding company and controlling party. Lallemand Incorporated is the largest group to consolidate these financial statements and Lallemand UK Limited is the smallest group in which they are consolidated. The consolidated financial statements of Lallemand UK Limited are available to the public and may be obtained at Companies House.