

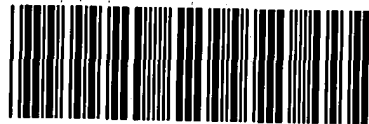
Registered No. 5998024

# **Vivergo Fuels Limited**

## **Annual Report and Financial Statements**

31 August 2022

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COMPANIES HOUSE

Vivergo Fuels Limited

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Registered No: 5998024

## **Company Information**

### **Directors**

P R Kenward  
C Noble  
D West

### **Auditors**

Ernst & Young LLP  
1 Cambridge Business Park  
Cambridge  
CB4 0WZ

### **Bankers**

Royal Bank of Scotland  
City of London Office  
PO Box 12258  
1 Princes Street  
London  
EC2R 8PA

### **Registered office**

Weston Centre  
10 Grosvenor Street  
London  
W1K 4QY

### **Company Secretary**

R G Cahill

The company is domiciled in England and Wales.

## Strategic Report

The directors present their strategic report for the year ended 31 August 2022.

### Review of the business

The company operates a bioethanol production facility involved in the processing of wheat into ethanol and animal feed. In February 2021 the intention to restart the production facility was announced and during the current year, capital and pre-commissioning operating expenditure was incurred, followed by a successful restart. Production of ethanol commenced in April 2022 and production rates steadily increased throughout a period of commissioning. Our expectation is rates will continue to increase along with plant reliability into the next financial year.

The company made a loss before tax for the year of £32.7m (2021: £9.5m loss before tax).

The company's key financial and other performance indicators are safety and financial performance.

### Principal risks and uncertainties

A full description of the principal risks and uncertainties applicable to the Associated British Foods plc group, of which this company is a wholly owned subsidiary, are disclosed on pages 94 to 101 of the 2022 Annual Report which is available at [www.abf.co.uk](http://www.abf.co.uk).

The principal risks for the company are health, safety and environmental together with any political, economic or commercial changes that might impact the strategy of the company.

The company has implemented a thorough system of controls to minimise its exposure to the principal risks and uncertainties that it faces. These controls include a strong system of internal governance.

#### *Exposure to foreign exchange, commodity price credit and liquidity risks*

Price risk arises on changes in foreign exchange rates. The company's main price risk is the Pound Sterling exchange rate with the Euro.

Commodity price risk is the risk that the company is exposed to fluctuations in commodity prices, particularly the price of ethanol, wheat, gas and power. Price variations and market cycles have historically influenced the financial results of the company and are expected to continue to do so.

Credit risk is the risk that one party will cause a financial loss for another party by failing to discharge an obligation. Credit exposures are mitigated through terms and conditions on sales contracts for ethanol, minimising exposures at any one point in time.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company actively manages its liquidity risk drawing on shareholder support which provides for its long-term funding by debt and equity contributions and its banking facilities.

#### *Supply stability*

The company manages its vulnerability to supply risk through its pre-qualification and approval process, the operation of strategic contracts and a strategic approach to supplier relationship and performance management.

#### *Health, safety and environmental risk*

The company is committed to sustaining the wellbeing of employees, suppliers, the local community and the environment. The company complies with all legal, regulatory, health, safety, security and environmental (HSSE) requirements. The company has a strong ethos of workplace safety with Health and Safety policies and practices being embedded within the company. A programme of audits is maintained to verify implementation of practices and support continuous improvement within the plant. The production facility is an Upper Tier COMAH (Control of Major Accidents Hazards Regulations) site and the company takes all measures necessary to prevent major accidents involving dangerous substances.

#### *Political, economic and commercial risk*

The company engages with governments and non-governmental organisations to ensure the views of its stakeholders are represented, trying to anticipate and contribute to important changes in public policy.

## Strategic Report (continued)

### Engaging with our stakeholders – Section 172 Statement

The directors are required to act in a way which they consider, in good faith, is most likely to promote the success of the company for the benefit of its members as a whole and, in doing so, have regard (amongst other matters) to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006.

The company is a wholly owned subsidiary of Associated British Foods plc and, as such, the company has adopted and the directors have due regard to applicable group policies and procedures which impact on the company's stakeholders, including those referred to on page 71 of the Associated British Foods plc Annual Report and Accounts 2022. Please also see the Associated British Foods plc Section 172 Statement on pages 64 to 68 of that document.

#### Stakeholders and engagement

As part of the identification of key stakeholders, the directors have identified the following stakeholder groups with whom engagement is fundamental to the company's ongoing success:

- Employees
- Suppliers
- Customers
- Communities and Environment
- Governments
- Shareholders
- ABF plc or other group companies as applicable

#### Employees

The company employs 117 people. Our people are central to the company's success and employee engagement is crucial to embedding our company culture and values, and to helping our people see how their efforts contribute to their company's strategic objectives. During the reporting period the company undertook regular engagement surveys, provided leadership updates, provided regular internal communications (such as emails, intranet or magazines), Health & Safety programmes, Town halls and training. The directors review the outcome of these communications/events on a regular basis to focus resources on the areas where improvement would derive the most benefit for our people.

#### Suppliers

Our Supplier Code of Conduct, which applies to all companies in the Associated British Foods group and which can be found on the Associated British Foods website, sets out our values and standards on how we work and engage with our suppliers on ethical, environmental and other relevant matters including on key issues such as payment practices, responsible sourcing, supply chain sustainability and human rights and modern slavery.

Our critical supplier group is our suppliers of feed wheat. We continually engage with our suppliers to develop and maintain good working relationships.

#### Customers

Customer needs are at the heart of business decision making whether from order fulfilment, sustainability and quality policies. The senior management team is regularly updated on key customers' needs from direct engagement with customers and market insights. We uphold the highest standards for quality and flexibility. We regularly review customer feedback in order to identify improvements in our product and processes.

#### Communities and Environment

Supporting society and respecting the environment are two of the key ways we live our values and make a difference. Our Bioethanol already offers over 65% savings on greenhouse gasses versus standard petrol production and the company is committed to further seeking sustainable solutions to environmental challenges and adapting our operations to respond to changes in the natural environment.

To achieve these goals the company is acting on climate change and is working hard to reduce energy use, reduce greenhouse emissions, manage waste, and improve water management.

#### Governments

The company can be impacted by changes in laws and public policy including issues such as COVID-19 and the implications arising from the UK's withdrawal from the EU. To mitigate the company's exposure to such risks

## Strategic Report (continued)

the directors engage with government authorities either directly, or through being part of the broader Associated British Foods group, to contribute to, and anticipate, important changes in public policy. The introduction of E10 in September 2021 in the UK was a key factor in the decision to restart the production facility.

### Shareholders

The company reports up to its shareholders, and ultimately to the board of Associated British Foods plc, through reports up to the senior management of the sugar business division of which the company forms part. The company takes appropriate steps to ensure that its shareholder is kept up to date on key business activities and decisions.

### Other ABF group entities

The company forms part of the group of companies headed by Associated British Foods plc and the company's accounts are consolidated into the Associated British Foods plc accounts. Group companies can provide financial and other support to the company and the sharing of best practice and know-how between the businesses within the broader group is actively encouraged.

### Principal decisions

Below are some examples of the principal decisions taken during the year, how the directors considered stakeholder views and interests and how such consideration impacted on decision making.

### Restart of the production facility

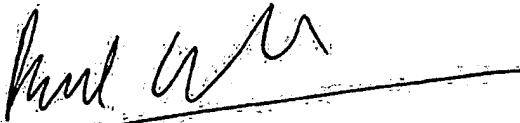
In recognition of changes made in government mandates leading to increased demand in bioethanol the decision was made to restart production of ethanol at the bioethanol facility at Saltend chemicals park.

Which stakeholder most affected?

- Customers
- Employees
- Communities/environments
- Suppliers
- ABF

Following the restart decision we increased our customer and supplier base including significant procurement of locally grown feed wheat. A recruitment drive took place resulting in taking on more than 100 employees from the local area. In the financial year, commissioning of the facility was successful giving confidence that the planned long-term production of bioethanol will be achieved resulting in a significant contribution towards the UK government's CO2 reduction targets.

The recommissioning of the plant required significant capital investment and a large scale maintenance project involving a large number of local contractors and suppliers.



On behalf of the Board

P R Kenward  
Director  
24/01/2023

## Directors' Report

The directors present their report and financial statements for the year ended 31 August 2022.

### Directors and their interests

The directors of the company during the year ended 31 August 2022 were as follows:

M I Carr (resigned 10 October 2022)

D E West

The following appointments have occurred since 31 August 2022:

P R Kenward (appointed 3 October 2022)

C Noble (appointed 7 October 2022)

No directors have an interest in the shares of the company.

The directors have benefited from the ABF Group's Directors and Officers insurance policy.

### Dividends

No dividends have been paid in the period and the directors do not recommend the payment of a final ordinary dividend (2021: £nil).

### Going concern

The company was loss-making during the year due to pre-commissioning spend, some restart costs incurred in anticipation of restarting the facility and operation performance owing to the ethanol price vs the gas and wheat costs during the year.

The Company has received a letter of support from its intermediate parent company, ABF Investments plc, indicating that it will receive the financial and other support necessary for the Company to trade and meet its liabilities as and when they become due for a period of 12 months from the date of the signing of the financial statements.

After making enquiries and considering the support available from the intermediate parent company described above, the directors have a reasonable expectation that the Company has adequate resources to continue in operation for twelve months from the date of signing of these financial statements. These considerations included the ABF group's directors' assessment of going concern (set out on pages 102 and 103 of the ABF 2022 annual report and accounts dated 8 November 2022 and available at [www.abf.co.uk](http://www.abf.co.uk)), which included the significant levels of cash and undrawn committed long-term facilities available to the group and the ABF group's directors' stress testing of cash flow forecasts through to 2 March 2024, and an assessment of any developments since that date that would adversely affect that conclusion. Accordingly, the financial statements have been prepared on the going concern basis.

### Future developments

The Company's focus is to continue improving the reliability and efficiency of the operation in a safe and orderly manner.

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to have taken as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the Board

P R Kenward  
Director

24/01/2023

Weston Centre, 10 Grosvenor Street, London, W1K 4QY

## **Statement of directors' responsibilities in relation to the financial statements**

The directors are responsible for preparing the Strategic Report, Directors Report and the financial statements in accordance with applicable UK 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

Under company law the directors must not approve the financial statements unless they are satisfied that they present fairly the financial position, financial performance and cash flows of the company for that period. In preparing the financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements with FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance;
- state that the company has complied with FRS 101, subject to any material departures disclosed and explained in the financial statements; and
- make judgements and estimates that are reasonable and prudent.

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 company's financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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# **Independent Auditor's Report to the Members of Vivergo Fuels Limited**

## **Opinion**

We have audited the financial statements of Vivergo Fuels Limited for the year ended 31 August 2022 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet and the Statement of Changes in Equity and the related notes 1 to 19, 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 FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ▶ give a true and fair view of the company's affairs as at 31 August 2022 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 Auditor's 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included obtaining the letter of support received by ABF Investments plc and assessing the ability of ABF Investments plc to provide such support over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 2 March 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.



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## **Independent Auditor's Report to the Members of Vivergo Fuels Limited (continued)**

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- ▶ the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ the strategic report and directors' report 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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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## **Independent Auditor's Report to the Members of Vivergo Fuels Limited (continued)**

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.

### **Auditor's responsibilities for the audit of the financial statements**

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

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (FRS 101 - United Kingdom Generally Accepted Accounting Practice and the Companies Act 2006) and the relevant tax laws and regulations. In addition, the Company complies with those laws and regulations relating to health and safety and employee matters.
- We understood how Vivergo Fuels Limited is complying with those frameworks by observing the oversight of those charged with governance, the culture of honesty and ethical behaviour and whether a strong emphasis is placed on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand their assessment of the susceptibility of the accounts to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings. In addition, we performed procedures to test manual journals and were designed to provide reasonable assurance that the financial statements were free from material fraud or error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing with a focus on unusual transactions and enquiries of management.


A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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## **Independent Auditor's Report to the Members of Vivergo Fuels Limited (continued)**

### **Use of our report**

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



Ruth Logan (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Cambridge, UK

24/01/2023

## Income Statement

For the year ended 31 August 2022

	Notes	2021/22 £'000	2020/21 £'000
Revenue	2	53,245	
Cost of sales		(81,035)	(4,913)
<b>Gross loss</b>		<u>(27,790)</u>	<u>(4,913)</u>
Administrative expenses		(5,464)	(3,344)
<b>Operating loss before exceptional items</b>		<u>(33,254)</u>	<u>(8,257)</u>
Exceptional items; Onerous contracts provision released	4	2,796	(881)
<b>Operating loss after exceptional items</b>	3	<u>(30,458)</u>	<u>(9,138)</u>
Finance costs	6	(2,251)	(400)
<b>Loss before tax</b>		<u>(32,709)</u>	<u>(9,538)</u>
Tax credit	7	5,924	8,741
<b>Loss for the financial year</b>		<u><u>(26,785)</u></u>	<u><u>(797)</u></u>

The notes 1 -19 form part of the financial statements

## Statement of Comprehensive Income

For the year ended 31 August 2022

	Notes	2021/22 £'000	2020/21 £'000
<b>Loss for the financial year</b>		(26,785)	(797)
<b>Other comprehensive income:</b>			
Items that may be reclassified to income statement:			
Cash flow hedges:			
Movement in cash flow hedging position		3,013	-
Deferred tax associated with movement in cash flow hedging position		(728)	-
<b>Other comprehensive income for the year</b>		2,285	-
<b>Total comprehensive loss for the year</b>		(24,500)	(797)

# Balance Sheet

As at 31 August 2022

		31 August 2022 £'000	31 August 2021 £'000
	Notes		
<b>Non-current assets</b>			
Property, plant and equipment	10	18,284	3,573
Deferred tax	7	12,695	19,102
<b>Total non-current assets</b>		<b>30,979</b>	<b>22,675</b>
<b>Current assets</b>			
Inventories	11	29,206	670
Trade and other receivables	12	56,328	19,916
Cash and cash equivalents		5,749	404
Derivative financial assets	13	3,265	-
<b>Total current assets</b>		<b>94,548</b>	<b>20,990</b>
<b>Total assets</b>		<b>125,527</b>	<b>43,665</b>
<b>Current liabilities</b>			
Trade and other payables	14	(134,735)	(25,589)
Derivative financial liabilities	13	(354)	-
Provisions	8	-	(876)
Lease liability	10	(51)	-
<b>Total current liabilities</b>		<b>(135,140)</b>	<b>(26,465)</b>
<b>Non-current liabilities</b>			
Lease liability	10	(447)	-
Provisions	8	-	(2,759)
<b>Total non-current liabilities</b>		<b>(447)</b>	<b>(2,759)</b>
<b>Total liabilities</b>		<b>(135,587)</b>	<b>(29,224)</b>
<b>Net (liabilities)/assets</b>		<b>(10,060)</b>	<b>14,441</b>
<b>Capital and reserves</b>			
Equity share capital	15	196,297	196,297
Hedging reserve		2,285	-
Retained earnings		(208,642)	(181,856)
<b>Equity shareholders' (deficit)/funds</b>		<b>(10,060)</b>	<b>14,441</b>

P R Kenward- Director

The financial statements of Vivergo Fuels Limited for the year ended 31 August 2022 were authorised for issue by the board of directors on 24/01/2023 and the balance sheet was signed on the Board's behalf by P R Kenward.



Registered No: 5998024

## Statement of Changes in Equity

For the period ended 31 August 2022

	<i>Share capital</i> £'000	<i>Hedging Reserve</i> £'000	<i>Retained earnings</i> £'000	<i>Equity shareholders' deficit</i> £'000
At 1 September 2020	106,297	-	(181,059)	(74,762)
Loss recognised for the financial year	-	-	(797)	(797)
Share capital issued during the period	90,000	-	-	90,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	90,000	-	(797)	89,203
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2021	196,297	-	(181,856)	14,441
Loss recognised for the financial year	-	-	(26,785)	(26,786)
Other comprehensive income for the year	-	2,285	-	2,285
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	2,285	(26,785)	(24,501)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2022	196,297	2,285	(208,642)	(10,060)
	<hr/>	<hr/>	<hr/>	<hr/>

## Notes to the financial statements

For the year ended 31 August 2022

### 1. Accounting policies

#### 1.1 Corporate information

Vivergo Fuels Limited is a private limited company incorporated and domiciled in England and Wales. The registered office of the company is Weston Centre, 10 Grosvenor Street, London, United Kingdom, W1K 4QY.

#### 1.2 Basis of preparation

The company prepares these accounts in compliance with UK GAAP (including FRS 101). The accounting policies which follow have been applied in preparing the financial statements for the year ended 31 August 2022.

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

- a) the requirements of IFRS 7 *Financial Instruments: Disclosures*;
- b) the requirements of IAS 7 *Statement of Cash Flows*;
- c) the requirements of paragraphs 18 and 18a of IAS 24 *Related Party Disclosures*;
- d) the requirements of IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

The financial statements are presented in pounds sterling and all values are rounded to the nearest thousand pounds except where otherwise indicated.

These financial statements are prepared on a going concern basis, under the historical cost convention. The directors have outlined the basis for the going concern basis in the Directors' Report on page 6.

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 company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions or estimates are significant to the financial statements are disclosed below in note 1.5.

As set out in note 18 Controlling party, the smallest group in which the results of the company are consolidated is that headed by Associated British Foods plc, which confirmed in its Annual Report that its directors have a reasonable expectation that the Associated British Foods plc group has adequate resources to continue in operational existence for the foreseeable future.

The Company has received a letter of support from its intermediate parent company, ABF Investments plc, indicating that it will receive the financial and other support necessary for the Company to trade and meet its liabilities as and when they become due for a period of 12 months from the date of signing of these financial statements.

After making enquiries and considering the support available from the intermediate parent company described above, the directors have a reasonable expectation that the Company has adequate resources to continue in operation for 12 months from the date of signing of these financial statements. These considerations included the ABF group's directors' assessment of going concern (set out in the Annual Report and Accounts dated 8 November 2022 and available at [www.abf.co.uk](http://www.abf.co.uk)), which included the significant levels of cash and undrawn committed long-term facilities available to the group and the ABF group's directors' stress testing of cash flow forecasts through to 2 March 2024, and an assessment of any developments since that date that would adversely affect that conclusion. Accordingly, the financial statements have been prepared on the going concern basis."

#### 1.3 Foreign currency translation

The financial statements of the company are presented in the currency of the primary economic environment in which it operates (its functional currency). The results and financial position of the company are expressed in pounds sterling, which is the functional currency of the company and presentational currency for the financial statements.



## Notes to the financial statements

For the year ended 31 August 2022

### Accounting policies (continued)

In preparing the financial statements transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at rates prevailing at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement except for exchange differences on transactions entered into to hedge certain foreign currency risks (see below under derivative financial instruments).

#### *1.4 Revenue recognition*

Revenue is recognised to the extent that it is probable that economic benefit will flow to the company and the revenue can be reliably measured, regardless of when payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The company has concluded it is acting as agent when selling bioethanol purchased from British Sugar plc. The company has concluded that it is acting as a principal in all other revenue arrangements.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, this is assessed on the incoterms agreed in the individual contract.

#### *1.5 Judgements and key sources of estimation uncertainty*

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements have had the most significant effect on amounts recognised in the financial statements:

##### *1.5.1 Going concern*

The company was loss-making during the year due to pre-commissioning spend, some restart costs incurred in anticipation of restarting the facility and operation performance owing to the ethanol price vs the gas and wheat costs during the year.

The Company has received a letter of support from its intermediate parent company, ABF Investments plc, indicating that it will receive the financial and other support necessary for the Company to trade and meet its liabilities as and when they become due for a period of 12 months from the date of the signing of these financial statements.

After making enquiries and considering the support available from the intermediate parent company described above, the directors have a reasonable expectation that the Company has adequate resources to continue in operation for twelve months from the date of signing of these financial statements. These considerations included the ABF group's directors' assessment of going concern (set out on pages 102 and 103 of the ABF 2022 annual report and accounts dated 8 November 2022 and available at [www.abf.co.uk](http://www.abf.co.uk)), which included the significant levels of cash and undrawn committed long-term facilities available to the group and the ABF group's directors' stress testing of cash flow forecasts through to 2 March 2024, and an assessment of any developments since that date that would adversely affect that conclusion. Accordingly, the financial statements have been prepared on the going concern basis.

## Notes to the financial statements

For the year ended 31 August 2022

### Accounting policies (continued)

The following estimates are dependent upon assumptions which could change in the next financial period and have a material effect on the carrying amount of assets and liabilities recognised at the balance sheet date:

#### *1.5.2 Recoverable amount of property, plant and equipment*

The recoverable amount of property, plant and equipment is based on estimates and assumptions regarding, in particular, the expected market outlook and future cash flows associated with the assets.

#### *1.5.3 Recoverable amount of deferred tax*

The recoverable amount of deferred tax is based on expected taxable profits within the wider group of which the Company is a member against which the tax losses can be relieved. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment of the asset.

### *1.6 Intangible assets*

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment charges.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Amortisation is provided on all computer software, after it has been brought into use, on a straight-line basis over its expected useful life of five years.

### *1.7 Property, plant and equipment*

Property, plant and equipment are recognised as assets in the balance sheet if it is probable that the company will derive future economic benefits from them and the cost of the asset can be reliably estimated. Property, plant and equipment are recognised at cost less any accumulated depreciation and impairment charges. Cost includes purchase price plus expenses directly attributable to the asset in order to bring it to the location and condition to be operated in the intended manner.

Property, plant and equipment in the course of construction are carried at cost. Depreciation of these assets commences when the assets are available for their intended use.

Depreciation is provided on all property, plant and equipment, other than land, after it has been brought into use, on a straight-line basis over its expected useful life as follows:

- Buildings – 13 years
- Plant and equipment – between 8 and 13 years
- Computer equipment, fixtures and fittings – between 5 and 13 years

During the year an assessment took place of all assets and the depreciation policy subsequently changed as a result of a change in expected useful life. The change in accounting policy has resulted in an extra £118,000 of depreciation charge in the year compared to what would have been charged under the previous policy.

### *1.8 Impairment of intangible assets and property, plant and equipment*

The carrying values of intangible assets and of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately through the income statement to their recoverable amount. The recoverable amount of property, plant and equipment is based upon estimates and assumptions regarding, in particular, the expected market outlook and future cash flows associated with the cash-generating unit. Useful lives and residual values are reviewed annually and where adjustments are required they are made prospectively. Any impairment will only be reversed in the event that the estimates used to determine an assets recoverable amount change, such as an increase in its value in use.

### *1.9 Interest*

Interest on cash, cash equivalents, and borrowings held at amortised cost, is recognised in the income statement using the effective interest method.

## Notes to the financial statements

For the year ended 31 August 2022

### Accounting policies (continued)

#### 1.10 Income taxes

Current tax is based on taxable profit or loss for the period. Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial information. Deferred tax arising from initial recognition of an asset or liability in a transaction, other than an acquisition, that at the time of the transaction affects neither accounting nor taxable profit or loss, is not recognised. Deferred tax is measured using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the asset is realised, or the liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised or losses are available within the wider group of which the Company is a member against which the taxable losses can be utilised.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity and is otherwise recognised in the income statement.

#### 1.11 Provisions

A provision is recognised when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

The expected scrap proceeds of the plant are anticipated to exceed the estimated discounted costs of dismantling and removing the facility at the end of its useful life. As a result, no decommissioning provision has been recognised in these financial statements. However, the company will perform periodic reviews of the facility for any changes in facts and circumstances that might require the recognition of a decommissioning provision.

#### 1.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

- Raw materials, consumables, engineering spares and goods for resale
  - purchase cost on a weighted average cost basis
- Work in progress and finished goods
  - cost of direct materials plus directly attributable overheads, excluding borrowing costs.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal. If estimated selling price is dependent on commodity market prices then this price assessment is taken as at the balance sheet date.

#### 1.13 Pension scheme

The ABF group operates a defined contribution pension scheme. Contributions are charged to the income statement as they become payable in accordance with the rules of the scheme.

#### 1.14 Leases

The company recognises a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The company applies the single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying asset.

## Notes to the financial statements

For the year ended 31 August 2022

### Accounting policies (continued)

#### *Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease, which is the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. The cost of the right-of-use assets is calculated as the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets. Right-of-use assets are subject to impairment.

#### *Lease liabilities*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any incentive receivable. The lease payment also includes any penalty payments for cancellation of the lease if applicable. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event occurs. In calculating the present value of lease payments, the Company uses the Group's incremental borrowing rate. After the commencement date the lease liability is increased by the interest and reduced for lease payments made. Remeasurements of lease liabilities occur if any modifications to the lease agreements occurs.

#### *Short-term leases and leases of low-value assets*

The Company applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less. It also applies the low-value asset recognition exemption to groups of underlying leases that are considered low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

### **1.15 Derivative financial instruments and hedging activities**

Derivatives are used to manage the company's exposure to foreign exchange and commodity price risk. The principal instruments are foreign exchange and commodity forward contracts.

Derivatives are recognised in the balance sheet, at fair value, based on market prices or rates. Changes in the value of derivatives are recognised in the profit and loss account unless they qualify for hedge accounting.

Changes in the fair value of derivatives that qualify for hedge accounting are recognised through the hedging reserve with any ineffectiveness recognised immediately within operating profit in the profit and loss account.

## **2. Revenue**

Revenue by geographic destination:

	2021/22	2020/21
	£'000	£'000
UK	18,723	-
Other EU countries	34,522	-
	<u>53,245</u>	<u>-</u>

## **3. Operating loss**

The auditor's remuneration in connection with the 2021/22 audit of the company's financial statements amounted to £75,100 (2020/21 : £50,567).

## Notes to the financial statements

For the year ended 31 August 2022

### 4. Exceptional items

	2021/22 £'000	2020/21 £'000
Onerous contracts provision released/(charged)	2,796	(881)

### 5. Staff costs

The average number of direct employees during the period was:

	2021/22 Number	2020/21 Number
Production	87	39
Administration	30	15
	<u>117</u>	<u>54</u>

	2021/22 £'000	2020/21 £'000
<i>Staff costs</i>		
Salary and benefit costs	5,764	1,935
Social security costs	727	228
Defined contribution pension scheme	310	116
	<u>6,801</u>	<u>2,279</u>

None of the directors received any remuneration as directors of the company and no consideration was paid to any third party for their services.

### 6. Finance costs

	2021/22 £'000	2020/21 £'000
Interest payable to group undertakings	2,251	400
	<u>2,251</u>	<u>400</u>

## Notes to the financial statements

For the year ended 31 August 2022

### 7. Tax

(a) Analysis of the tax credit for the period

	2021/22 £'000	2020/21 £'000
UK corporation tax:		
Adjustments in respect of prior periods	(79)	(3,271)
	<u>(79)</u>	<u>(3,271)</u>
Group relief:		
Tax credit on losses available for surrender	(11,625)	(5,339)
	<u>(11,625)</u>	<u>(5,339)</u>
Deferred tax:		
Origination and reversal of temporary differences	4,860	3,526
Effect of change in tax rate	668	(3,651)
Adjustment in respect of previous periods	252	(6)
	<u>5,780</u>	<u>(131)</u>
	<u>(5,924)</u>	<u>(8,741)</u>
Total tax credit in the income statement		

(b) Reconciliation of the total tax credit for the year

A reconciliation of the tax credit applicable to the company's loss before tax at the applicable tax rate of 19% (2021: 19%) to the provision for income taxes is as follows:

	2021/22 £'000	2020/21 £'000
Loss before tax	(32,709)	(9,538)
	<u>(32,709)</u>	<u>(9,538)</u>
Tax at the rate of 19% (2021: 19%)	(6,215)	(1,812)
Deferred tax rate changes	668	(3,651)
Income not taxable	(550)	(1)
Prior period adjustment – current tax	(79)	(3,271)
Prior period adjustment – deferred tax	252	(6)
	<u>(5,924)</u>	<u>(8,741)</u>
Total tax credit in the income statement		

## Notes to the financial statements

For the year ended 31 August 2022

### 7. Tax (continued)

#### (c) Deferred tax

A net deferred tax asset of £12,695,000 (2021: £19,102,000) has been recognised in the period. No amounts remain unrecognised at 31 August 2022 (2021: £nil). This relates to the items included in the table below:

	2021/22	2020/21
	£'000	£'000
Asset in respect of fixed assets and capital allowances	13,321	19,066
Liabilities in respect of cash flow hedges	(626)	-
Other short-term timing differences	-	36
<b>Total</b>	<b>12,695</b>	<b>19,102</b>
	2021/22	2020/21
	£'000	£'000
Deferred tax balance brought forward	19,102	18,971
Recognised in the income statement in the period	(5,780)	131
Recognised in respect of cash flow hedges	(627)	-
<b>Deferred tax balance carried forward</b>	<b>12,695</b>	<b>19,102</b>

A deferred tax asset has been recognised as the directors consider it probable that suitable taxable income will arise within the wider group of which the Company is member against which the asset can be reversed. The majority of the deferred tax asset arises as a result of timing differences between depreciation and capital allowances. The company expects to be able to claim capital allowances in excess of depreciation in future years.

#### d) Factors that may affect future tax charges

The main rate of corporation tax during the period was 19%. The company's loss for the year to 31 August 2022 are taxed at 19% being the rate for that accounting period.

The UK corporation tax rate of 19% is set to increase to 25% from 1 April 2023. The legislation to effect these changes was enacted before the balance sheet date and deferred tax has been calculated accordingly.

The company is a member of the ABF group relief group. In accordance with group policy, tax losses surrendered for group relief are reimbursed at the rate of tax prevailing in the period.

## Notes to the financial statements

For the year ended 31 August 2022

### 8. Provisions

	<i>Onerous contracts</i> £'000
<i>At 1 September 2020</i>	5,932
Utilised in year	(3,178)
Charged in year	881
<i>At 31 August 2021</i>	3,635
Released in year	(3,635)
<i>At 31 August 2022</i>	

Following the announcement of the plant closure on 6 September 2018, a provision for the costs of closing the plant, including all site lease costs at Saltend Chemicals Park, was included in the accounts for the year ended 31 August 2018. As the plant is now being recommissioned and has restarted production, the remaining balance of the provisions has been released during the year ended 31 August 2022.

### 9. Intangible assets

	<i>Computer software</i> £'000	<i>Total</i> £'000
Cost:		
<i>At 31 August 2022 and 31 August 2021</i>	1,500	1,500
Accumulated amortisation and impairment:		
<i>At 31 August 2022 and 31 August 2021</i>	1,500	1,500
Net book value:		
<i>At 31 August 2022 and 31 August 2021</i>		



## Notes to the financial statements

For the year ended 31 August 2022

### 10. Property, plant and equipment

	Buildings £'000	Computer equipment, fixtures and fittings £'000	Plant and equipment £'000	Right of use asset £'000	Assets under construction £'000	Total £'000
<b>Cost:</b>						
At 1 September 2021	15,967	1,089	400,809	-	3,573	421,438
Additions	-	-	-	483	14,607	15,090
Disposals	-	(135)	(157)	-	-	(292)
Transfer between categories	86	592	16,811	-	(17,489)	-
<b>At 31 August 2022</b>	<b>16,053</b>	<b>1,546</b>	<b>417,463</b>	<b>483</b>	<b>691</b>	<b>436,236</b>
<b>Accumulated depreciation and impairment:</b>						
At 1 September 2021	15,967	1,089	400,809	-	-	417,865
Charge for the period	6	20	342	11	-	379
Eliminated on disposal	-	(135)	(157)	-	-	(292)
<b>At 31 August 2022</b>	<b>15,973</b>	<b>974</b>	<b>400,994</b>	<b>11</b>	<b>-</b>	<b>417,952</b>
<b>Net book value:</b>						
At 31 August 2022	80	572	16,469	472	691	18,284
At 1 September 2021	-	-	-	-	3,573	3,573

Plant and equipment comprise of design, engineering and construction work and the related capitalised interest costs for the wheat to ethanol fermentation plant.

In the year ended 31 August 2018 the plant and equipment was fully impaired as a result of the decision to cease production at the Saltend bioethanol plant.

In February 2021 the decision was made to restart production in early 2022. During the prior year there were additions totalling £3,573,000 made in relation to improving the plant ahead of production restart that we held as assets under construction. There has been no reversal of historic impairment.

At 31 August 2022, amounts contracted for but not provided in the financial statements for acquisition of property, plant and equipment amounted to nil (2021: £6,604,000).

# Notes to the financial statements

For the year ended 31 August 2022

## 10. Property, plant and equipment (continued)

### Leases

#### Right-of-use assets

	<i>Buildings</i>	<i>Motor vehicles</i>	<i>Total</i>
Cost:	£'000	£'000	£'000
At 1 September 2021	478	5	483
At 31 August 2022	478	5	483
Accumulated depreciation:			
Charge for the period	10	1	11
	10	1	11
Net book value:			
At 31 August 2022	468	4	472
At 1 September 2021			

#### Lease liability

	<i>Buildings</i>	<i>Motor vehicles</i>	<i>Total</i>
	£'000	£'000	£'000
Recognised on restart of operations	498	5	503
Payments	(6)	(1)	(7)
Interest expense	2		2
At 31 August 2022	494	4	498
At 1 September 2021			

The total lease liability is split as follows:

	31 August 2022 £'000	31 August 2021 £'000
Current	51	
Non-current	447	
Total	498	

## Notes to the financial statements

For the year ended 31 August 2022

### 11. Inventories

	31 August 2022 £'000	31 August 2021 £'000
Raw materials	20,835	670
Work in progress (at cost)	3,562	-
Finished goods	4,809	-
Total inventories	29,206	670

### 12. Trade and other receivables

	31 August 2022 £'000	31 August 2021 £'000
Trade receivables	30,655	5,140
Amounts owed by group undertakings – corporation tax	17,048	11,755
Amounts owed by group undertakings	4,875	1,735
Prepayments	979	1,282
Accrued wheat swap revenue	2,771	4
Total trade and other receivables	56,328	19,916

The carrying value of trade and other receivables also represents their fair value. All other receivables are neither past due nor impaired. There is no provision against other receivables.

### 13. Derivative financial instruments

#### Fair value of derivative financial instruments

The derivative financial instruments used by the company and not subject to the own-use exemption have been categorised as follows:

Commodity contracts – Forward contracts for the sale or purchase of a physical commodity. The fair value of commodity contracts is calculated by reference to the relevant underlying commodity prices at the balance sheet date.

Foreign exchange contracts – Currency related forward contracts. The fair value of these contracts is determined by using forward currency exchange markets at the balance sheet date.

All derivative financial instruments have a maturity date within 12 months from the balance sheet date and are therefore classified as current assets or liabilities.

## Notes to the financial statements

For the year ended 31 August 2022

### 13. Derivative financial instruments (continued)

The company has the following derivative assets and liabilities measured at fair value through other comprehensive income:

	31 August 2022	31 August 2021
	£'000	£'000
Derivative financial instrument assets due within 1 year	3,265	-
Derivative financial instrument liabilities due within 1 year	(354)	-
	<u>2,911</u>	<u>-</u>

### 14. Trade and other payables

	31 August 2022	31 August 2021
	£'000	£'000
Trade payables	12,387	1,114
Amounts owed to group undertakings	103,324	20,835
Accrued liabilities	19,024	3,640
Total trade and other payables	<u>134,735</u>	<u>25,589</u>

Included within amounts owed to group undertakings is a credit facility held with ABF treasury totalling £93,123,000 (2021: 16,226,000). It is repayable on demand. Interest is charged annually at a rate of Sonia + 4% (2021 - 0.06%).

### 15. Share capital

	31 August 2022	31 August 2021
	£'000	£'000
Allotted, called up and fully paid		
Ordinary shares of £1 each	196,072	196,072
Deferred shares of £1 each	225	225
Total share capital	<u>196,297</u>	<u>196,297</u>

### 16. Related parties

#### Transactions with associated undertakings

The company, being a wholly owned subsidiary of ABF, has taken advantage of the exemption in IAS 24 *Related Party Disclosures* ("IAS 24") not to disclose related party transactions with wholly owned entities in the same group. The company's other related parties, as defined by IAS 24, the nature of the relationship and the extent of the transactions with them are summarised below.

## Notes to the financial statements

For the year ended 31 August 2022

### 16. Related parties (continued)

*Year ended 31 August 2022*

	<i>Receipts from related parties</i>	<i>Payments to related parties</i>	<i>Amounts owed by related parties</i>	<i>Amounts owed to related parties</i>
Frontier Agriculture Limited	-	12,820,773	3,342	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

*Year ended 31 August 2021*

	<i>Receipts from related parties</i>	<i>Payments to related parties</i>	<i>Amounts owed by related parties</i>	<i>Amounts owed to related parties</i>
Frontier Agriculture Limited	-	-	3,342	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Frontier Agriculture Limited is an agricultural services company providing supplies to farming businesses. The company is a joint venture between ABF and Cargill plc.

### 17. Pension scheme

The company is a part of a defined contribution pension scheme operated by Associated British Foods plc. Contributions are charged in the income statement as they become payable in accordance with the rules of the scheme. Contributions for the period amounted to £325,000 (2021: 174,000). As at 31 August 2022, contributions of £nil (2021: £nil) due in respect of the current reporting period had not been paid over to the scheme.

The most recent triennial funding valuation of the scheme was carried out as at 5 April 2020, using the current unit method, and revealed a deficit of £302m. The market value of the scheme assets was £3,317m, representing 92% of members' accrued benefits after allowing for expected future salary increases. Full IAS19 disclosures can be found on page 192 of the financial statements of Associated British Foods plc, which may be obtained from Weston Centre, 10 Grosvenor Street, London, W1K 4QY. These financial statements are also available for download from the groups website at [www.abf.co.uk](http://www.abf.co.uk).

### 18. Controlling party

The ultimate parent company is Wittington Investments Limited, which is incorporated in the United Kingdom and registered in England and Wales

## Notes to the financial statements

For the year ended 31 August 2022

### 18. Controlling party (continued)

The largest group of undertakings for which group accounts are drawn up (within which the results of the company are consolidated) and of which the company is a member is headed by Wittington Investments Limited. The smallest such group of undertakings is headed by Associated British Foods plc, which is incorporated in the United Kingdom and registered in England and Wales.

The consolidated accounts of these groups are available to the public and may be obtained from Weston Centre, 10 Grosvenor Street, London, W1K 4QY, which is the registered office of each of Wittington Investments Limited and Associated British Foods plc. The consolidated accounts of Associated British Foods plc are also available for download on the group's website at [www.abf.co.uk](http://www.abf.co.uk).

### 19. Post balance sheet subsequent events

Subsequent to year end, commodity prices have fallen. The impact of this post year end fall, when applied to year-end inventory, would be £2.625m.