

AMBER REI HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
29 DECEMBER 2019

Parent Company / Group Accounts
providing audit exemption to
Amber Real Estate Investments
(Industrial) Limited
Co # 09885767
See note 31

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AMBER REI HOLDINGS LIMITED

COMPANY INFORMATION

Directors R S Boparan
R J Rafferty
S Henderson
T J Curle
A S Haveron

Company number 07191982

Registered office 2nd Floor Colmore Court
9 Colmore Row
Birmingham
B3 2BJ

Auditor Grant Thornton UK LLP
The Colmore Building
20 Colmore Circus
Birmingham
B4 6AT

Handwritten notes:
Amber REI Holdings Limited
is a private company limited by shares
The company is a subsidiary of
Amber REI Holdings Limited (Private)
07191982
18 Jan 2011

AMBER REI HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 29 DECEMBER 2019

The directors present the strategic report for the year ended 29 December 2019.

Fair review of the business

The Group's principal activities are property investment, poultry feed milling and producing turkey for the retail sector.

The milling business has performed better year on year through production and manufacturing efficiencies. After factoring in disappointing results in the turkey business of Bernard Matthews Foods Limited, the Group's gross margin in the period has seen a small deterioration year on year. 2019 has seen a poorly executed Christmas season by Bernard Matthews Foods Limited but steps have been put in place and to address the inefficiencies and return the business to a break-even level.

In March 2020, the UK faced unprecedented challenges from the Covid-19 pandemic. As a business, we took immediate steps to safeguard the health and wellbeing of our employees in line with government guidelines. Our priorities have been and continue to be ensuring that the operations within the Group are able to support the UK poultry supply chain. The ongoing situation is monitored daily by senior management. Where possible, staff that can work from home do so, and for staff that need to attend site, we have implemented social distancing and enhanced hygiene measures. The Directors assess that the risk to the business is minimal given that our customer base both directly and indirectly serve the food retail sector which is classed as a key service and continues to operate throughout the situation. We liaise closely with our stakeholder groups to ensure that business operations continue uninterrupted.

A restatement of 2018's results has arisen from a review of prior periods numbers indicating an error in the Group's consolidated position. More details are provided in Note 3 of the accounts.

Following a full review of the underlying businesses, the Group's Directors have decided to impair related party investments of £13m. The expectation is that this is only temporary, the respective business plans suggest that this investment value should be recovered in the future.

The Group's financial health remains strong with significant cash balances. Covid-19 will continue to create uncertainty throughout the economy and the senior management will remain vigilant over the situation.

Key performance indicators

The directors monitor the Group's performance in a number of ways including key performance indicators (KPIs) as follows:

	2019	2018
Turnover:		
Rental income (£m)	42.7	45.2
Green energy income (£m)	3.4	3.6
Poultry feed milling and live poultry sales (£m)	317.6	312.3
Poultry related product sales (£m)	306.7	241.8
Asset disposals (£m)	0.4	2.0
Gross profit margin (%)	19.0	21.4
Operating (loss)/profit from core trading activities (£m)	(1.2)	24.8
Net Assets (£m)	343.3	340.0

AMBER REI HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 29 DECEMBER 2019

Future developments

The Group maintains a positive future outlook underpinned by growth in the poultry market. To keep up with the growth in demand and output required, the Group will continue to seek opportunities to improve and develop its existing infrastructure.

We continue to engage directly with buyers, working on tenders, presenting new products, and engaging with customer audits.

Principal risks and uncertainties

Strategic risks

The main strategic risks would come from the market situation, if the trend of increasing demand for poultry reversed and the subsequent demand for growing space and feed were reduced. This is considered as minimal as currently there is an overall insufficient supply of UK grown poultry to meet consumer demands.

The Group's strategy is to diversify its business in the long term.

However, there are also risks against which the company cannot fully protect itself such as a poultry disease outbreak or a food safety concerns such as campylobacter. The Group strategy is to proactively address such risks with its related party customers to mitigate the risks more effectively.

There is continued political and economic uncertainty with respect to Brexit. The board of directors acknowledges this uncertainty and continues to monitor its associated risks. As exit negotiations are finalising and new trade deals are being negotiated with other non-EU countries, the current outlook appears that the UK food sector will see minimal impact. As a part of Brexit planning, the Directors have incorporated Grove Turkeys (UK) Limited, a UK registered Company within the Group on 29 August 2019. Our aim is to manage the potential overseas trading risk Brexit might pose to our businesses.

Operational risks

The Group monitors the legislative changes and work with our tenants to ensure we have an annual plan in place to deal with any impact, this IPPC programme is active and is monitored on a monthly basis.

2 Agriculture Limited is a key subsidiary in the Group. Quality in 2 Agriculture Limited is assured by accreditation to; United Feed Assurance Scheme HACCP systems, as well as adherence to many customer codes of practice. Additional rigorous testing of raw material and finished product is routinely carried out to ensure highest standards are met.

Health, safety, and environmental risks are regularly reviewed and prioritised, with work streams established to minimise the risk to people, equipment, and property. Immediate and future risks to the business include regulatory changes, avian influenza, and public health scares.

Movements in feed costs related to the availability of key ingredients, competition from cheaper overseas poultry producers, managing the production of birds to match anticipated but uncertain demand, the potential effects of widespread poultry disease and the need to maintain and enhance the Company brands remain key operational challenges.

To assure safety the Group will coordinate its structural risk and an engineering program with the requirements of the insurers. Under the terms of a coordinated programme, measures are taken in respect of preventative maintenance and technical procedures. In the event of a major facility loss, contingency plans are in place to minimise business disruption.

Health, safety and environmental risk are regularly reviewed and prioritised, with work streams established to minimise the risk to people, equipment and property. Immediate and future risks to the business include regulation changes, age and quality of parts of the portfolio and an on-going footprint review all of which can result in space becoming available. The majority of this risk is within livestock buildings.

AMBER REI HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 29 DECEMBER 2019

Financial risks

The Group operates within a framework of weekly reporting which covers weekly performance measures for profitability, cash flow production. A set of monthly management accounts is also produced to manage the commercial drivers of the businesses within the Group in a controlled manner to minimise the financial and operational impacts and risks upon the Group.

The Group monitors cash flow as a part of its day to day control procedures. Regular considerations of the Group's cash flow projections enable management to ensure that the Group operates within the committed funding available to it.

The Group is funded by means of bank loans, which has covenants attached. Compliance with these covenants is assessed on a quarterly basis.

The Group acknowledges that Covid-19 risks are pervasive to all businesses and without exception to our related parties. The senior management team continues to hold regular discussions with all related parties to understand their plans, response to the uncertainty and whether this will create any impacts on the Group.

Financial Risk Management

The company's operations and financing arrangements expose it to a variety of financial risks that are discussed below.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its liabilities as they fall due. The Group has loan facilities to continue providing support for its operations. The Group will manage its liquidity risk by continuously monitoring forecasted and actual cash flows, looking at overdraft arrangements and managing the maturity dates of its loan facilities to ensure continuity of funding.

Interest rate risk

Interest rate risk is the risk to the Group from fluctuating market interest rates. Bank loans in the attract interest at a margin above LIBOR. As the banking covenants would stipulate, the Group would require sufficient cover in excess of the interest payable.

Credit risk

Credit risk is the risk of financial loss where counterparties are not able to meet their obligations as they fall due. The Group is exposed to credit risk on its financial assets, namely its trade and other receivables. The Group's tenant base is predominantly one party but its risks are mitigated against the accompanying supply chain. To another part of the Group, large retailers also make up the customer base and they represent large, well-managed businesses.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

In reaching this decision the directors have considered latest forecasts and contractual agreements. These demonstrate that the company has sufficient financing facilities available to continue to trade as a going concern. For further details see note 1 to the financial statements.

AMBER REI HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 29 DECEMBER 2019

Post Balance Sheet Events

The Covid-19 pandemic began in the UK from March 2020. The National Lockdown that followed has prompted the Group to reassess the processes with which business is conducted. Despite this, there is no expectation from the Directors that the pandemic has affected the results that are reported for 2019.

The business of Saga Foods has been sold on 13 January 2020 for the completion value of £6.1m.

In November 2020, the Group made a subscription of Boparan Finance plc secured loan notes, due for redemption at 2025. At the point of signing, the Company held £10m of secured loan notes.

On June 2021, the Group had completed a refinancing of its £100m loan facility for a 3 year term. The new repayment date for the loan will be on July 2024.

On behalf of the board



R J Rafferty
Director

Date: 27 July 2021

AMBER REI HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 29 DECEMBER 2019

The Directors present their report and the financial statements for the period ended 29 December 2019. This report should be read in conjunction with the Group Strategic Report. Key information relating to the business noted in the Group Strategic Report has not been repeated in the Directors' Report.

Principal activities

The principal activity of the group and the company is that of property investment, poultry feed milling and producing turkey for the retail sector.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R S Boparan
R J Rafferty
S Henderson
T J Curle
A S Haveron

Results and dividends

The loss for the period, after taxation, amounted to £625,000 (52 weeks ending 30 December 2018: profit £47,248,000).

No dividends were paid in the period (52 weeks ending 30 December 2018: nil). The directors do not recommend the payment of a final dividend (52 weeks ending 30 December 2018: nil).

Political donations

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Disabled persons

The Group continues to adopt a policy of non - discrimination in the employment of disabled persons. Their training and career development are consistent with the Group's general policies and procedures relating to those activities. In addition, where an employee becomes disabled, every effort is made to ensure continuity of employment or to offer suitable employment with appropriate retraining if necessary.

Employee involvement

The Group has continued to keep employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the Group. It will continue to ensure that employees are encouraged to participate in the effective running of the Group.

Directors' insurance and indemnities

The Company has maintained throughout the year Directors' and officers' liability insurance for the benefit of the Company, the Directors and its officers. The Company has entered into qualifying third party indemnity arrangements for the benefit of all its Directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

Auditor

KPMG LLP resigned as auditor during the period and was replaced by Grant Thornton UK LLP.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and Grant Thornton LLP will therefore continue in office.

AMBER REI HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 29 DECEMBER 2019

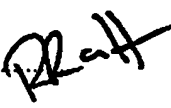
Statement of disclosure to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Other information

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 Group Strategic Report on page 1.

On behalf of the board

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R J Rafferty
Director

Date: 27 July 2021

AMBER REI HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 29 DECEMBER 2019

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom 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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMBER REI HOLDINGS LIMITED

Opinion

We have audited the financial statements of Amber REI Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 29 December 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows 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 group's and of the parent company's affairs as at 29 December 2019 and of the group's 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 group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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.

Emphasis of matter - prior period adjustments

We draw attention to Note 3 to the financial statements, which states that during the year the directors conducted a review of historic consolidation journals and as a result have identified a number of adjustments relating to 2018 and previous periods that impact the primary financial statements and disclosures. Our opinion is not modified in respect of this matter.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing 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 associated with these particular events.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMBER REI HOLDINGS LIMITED (CONTINUED)

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 group's or the parent 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.

In our evaluation of the directors' conclusions, we considered the risks associated with the group's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the group's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group will continue in operation.

Other information

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMBER REI HOLDINGS LIMITED (CONTINUED)

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.

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

Auditor's responsibilities for the audit of the financial statements

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

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 auditor's report.

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.

Grant Thornton UK LLP

Rebecca Eagle (Senior Statutory Auditor)
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
20 Colmore Circus
Birmingham
B4 6AT
27/7/2021
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AMBER REI HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 29 DECEMBER 2019

		2019	2018
	Notes	£000	as restated £000
Turnover	4	670,822	604,793
Cost of sales		(543,110)	(475,497)
Gross profit		127,712	129,296
Distribution costs		(21,127)	(18,272)
Administrative expenses		(107,694)	(111,706)
Revaluation of investment properties	14	(63)	25,432
Operating (loss)/profit from core trading activities		(1,172)	24,750
Profit on sale of investment properties and tangible fixed assets		3,973	20,232
Impairment charge		(13,092)	-
Other operating income		6,603	3,960
Release of negative goodwill		8,018	11,642
Operating profit after non-core trading activities	7	4,330	60,584
Income from other fixed asset investments	9	808	808
Other interest receivable and similar income	9	111	145
Interest payable and similar expenses	10	(4,463)	(4,067)
Profit before taxation		786	57,470
Tax on profit	11	(1,411)	(10,222)
(Loss)/profit for the financial year		(625)	47,248
Other comprehensive income net of taxation			
Revaluation of tangible fixed assets		4,641	-
Currency translation differences		(728)	72
Total comprehensive income for the year		3,288	47,320

(Loss)/profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

AMBER REI HOLDINGS LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 29 DECEMBER 2019**

		2019		2018 as restated	
	Notes	£000	£000	£000	£000
Fixed assets					
Goodwill	12		898		-
Negative goodwill	12		(76,871)		(85,036)
Net goodwill			(75,973)		(85,036)
Other intangible assets	12		6,783		7,855
Total intangible assets			(69,190)		(77,181)
Tangible assets	13		102,828		96,630
Investment properties	14		273,233		272,905
Investments	15		6,954		10,591
Loan investments	15		1,500		-
			315,325		302,945
Current assets					
Stocks	18	35,399		43,631	
Debtors falling due after more than one year	19	-		71	
Debtors falling due within one year	19	283,925		236,976	
Cash at bank and in hand		27,602		29,697	
			326,926		310,375
Creditors: amounts falling due within one year	20	(159,408)		(131,090)	
Net current assets			167,518		179,285
Total assets less current liabilities			482,843		482,230
Creditors: amounts falling due after more than one year	21		(113,604)		(118,936)
Provisions for liabilities	25		(25,915)		(23,258)
Net assets			343,324		340,036
Capital and reserves					
Called up share capital	28		2		2
Share premium account	29		70,548		70,548
Revaluation reserve	29		15,641		12,637
Profit and loss reserves	29		257,133		256,849
Total equity			343,324		340,036

AMBER REI HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 29 DECEMBER 2019

The financial statements were approved by the board of directors and authorised for issue on 27 July 2021
and are signed on its behalf by:


.....
R J Rafferty
Director

AMBER REI HOLDINGS LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 29 DECEMBER 2019**

		2019		2018	
	Notes	£000	£000	£000	£000
Fixed assets					
Tangible assets	13		16		7
Investment properties	14		5,299		6,935
Investments	15		36,035		39,672
Loan investments	15		1,500		-
			<u>42,850</u>		<u>46,614</u>
Current assets					
Debtors	19	274,162		231,965	
Cash at bank and in hand		<u>2,220</u>		<u>6,681</u>	
		276,382		238,646	
Creditors: amounts falling due within one year	20	<u>(60,678)</u>		<u>(19,234)</u>	
Net current assets			<u>215,704</u>		<u>219,412</u>
Total assets less current liabilities			<u>258,554</u>		<u>266,026</u>
Creditors: amounts falling due after more than one year	21		(5,600)		(1,541)
Provisions for liabilities	25		<u>(675)</u>		<u>(292)</u>
Net assets			<u><u>252,279</u></u>		<u><u>264,193</u></u>
Capital and reserves					
Called up share capital	28		2		2
Share premium account	29		70,548		70,548
Profit and loss reserves	29		<u>181,729</u>		<u>193,643</u>
Total equity			<u><u>252,279</u></u>		<u><u>264,193</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss for the year was £11,914,000 (2018: £13,415,000 loss)

The financial statements were approved by the board of directors and authorised for issue on 27 July 2021 and are signed on its behalf by:



 R J Rafferty
 Director

AMBER REI HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 29 DECEMBER 2019

	Share capital £000	Share premium account £000	Revaluation reserve £000	Profit and loss reserves £000	Total £000
As restated for the period ended 30 December 2018:					
Balance at 1 January 2018 (as previously stated)	2	70,548	14,005	205,844	290,399
Prior period adjustment (note 3)	-	-	-	2,317	2,317
Balance at 1 January 2018 (as restated)	2	70,548	14,005	208,161	292,716
Year ended 30 December 2018:					
Profit for the year	-	-	-	47,248	47,248
Other comprehensive income net of taxation:					
Currency translation differences	-	-	-	72	72
Total comprehensive income for the year	-	-	-	47,320	47,320
Transfers	-	-	(1,368)	1,368	-
Balance at 30 December 2018	2	70,548	12,637	256,849	340,036
Year ended 29 December 2019:					
Loss for the year	-	-	-	(625)	(625)
Other comprehensive income net of taxation:					
Revaluation of tangible fixed assets	-	-	4,641	-	4,641
Currency translation differences	-	-	-	(728)	(728)
Total comprehensive income for the year	-	-	4,641	(1,353)	3,288
Transfers	-	-	(1,637)	1,637	-
Balance at 29 December 2019	2	70,548	15,641	257,133	343,324

AMBER REI HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 29 DECEMBER 2019

	Share capital £000	Share premium account £000	Profit and loss reserves £000	Total £000
Balance at 1 January 2018	<u>2</u>	<u>70,548</u>	<u>207,058</u>	<u>277,608</u>
Year ended 30 December 2018:				
Loss and total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>(13,415)</u>	<u>(13,415)</u>
Balance at 30 December 2018	<u>2</u>	<u>70,548</u>	<u>193,643</u>	<u>264,193</u>
Year ended 29 December 2019:				
Loss and total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>(11,914)</u>	<u>(11,914)</u>
Balance at 29 December 2019	<u><u>2</u></u>	<u><u>70,548</u></u>	<u><u>181,729</u></u>	<u><u>252,279</u></u>

AMBER REI HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 29 DECEMBER 2019

		2019		2018 as restated	
	Notes	£000	£000	£000	£000
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	30		23,794		(17,808)
Income taxes paid			(1,933)		(10,103)
Net cash inflow/(outflow) from operating activities			21,861		(27,911)
Investing activities					
Purchase of intangible assets		(1,122)	-		-
Purchase of tangible fixed assets		(13,032)	(21,305)		(21,305)
Proceeds on disposal of tangible fixed assets		836	2,299		2,299
Purchase of investment property		(3,068)	(1,408)		(1,408)
Proceeds on disposal of investment property		8,430	48,303		48,303
Purchase of fixed asset investments		(10,955)	-		-
Interest received		111	145		145
Net cash (used in)/generated from investing activities			(18,800)		28,034
Financing activities					
Advance of borrowings		2,476	7,920		7,920
Repayment of borrowings		(4,586)	(8,630)		(8,630)
Interest paid		(4,463)	(4,067)		(4,067)
Payment of finance leases obligations		(1,034)	(629)		(629)
Advance/(repayment) of debt factoring facility		2,747	(4,039)		(4,039)
Grant income received		-	2,197		2,197
Net cash used in financing activities			(4,860)		(7,248)
Net decrease in cash and cash equivalents			(1,799)		(7,125)
Cash and cash equivalents at beginning of year			29,697		36,961
Effect of foreign exchange rates			(296)		(139)
Cash and cash equivalents at end of year			27,602		29,697

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 DECEMBER 2019

1 Accounting policies

Company information

Amber REI Holdings Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 2nd Floor Colmore Court, 9 Colmore Row, Birmingham, B3 2BJ.

The group consists of Amber REI Holdings Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of tangible fixed assets and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel and the company is exempt from the requirement to disclose transactions with other wholly owned members of the group headed by Amber REI Holdings Limited as 100% of voting rights are controlled within the group.

The financial statements of the company are consolidated into these financial statements.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 DECEMBER 2019

1 Accounting policies (Continued)

Basis of consolidation

The consolidated financial statements incorporate those of Amber REI Holdings Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are drawn up to within 7 days of 29 December 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

In reaching this decision the directors have considered latest forecasts and contractual agreements. These demonstrate that the company has sufficient financing facilities available to continue to trade as a going concern.

In making the going concern assessment the Directors have made a consideration of the potential impact of Covid-19 pandemic on the cash flows and liquidity of the Company over the next 12 month period. Current sales volumes are down between 2 and 3%, primarily to customers who serve the food service sector. The assessment takes into account a number of scenarios including the assumption that sales volume reduces by approximately 25% compared to the Directors expectations prior to development of Covid-19 and costs have been mitigated by a very conservative amount. At these reduced levels of sales the Directors currently believe the Company can continue to satisfy its bank covenants and maintain sufficient liquidity over the next 12 months. Given the business has customer supply agreements for 75% of its pre Covid-19 pandemic expected sales volumes which have a minimum of 12 months to run and poultry feed sales because of the Covid-19 pandemic are expected to be impacted by a much lower amount than other industries. The Group is funded by its own reserves and by third party loans with a balance of £128,390,000 as at 29 December 2019.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 DECEMBER 2019

1 Accounting policies (Continued)

Going concern (continued)

On June 2021, the Group had completed a refinancing of its £100m loan facility for a 3 year term. The new repayment date for the loan will be on July 2024.

Turnover

Investment properties

Turnover comprises rentals under operating leases from investment properties located in the United Kingdom. Income is credited to the profit and loss account on a straight line basis over the period of the lease, even if the payments are not made on such basis and is exclusive of value added tax.

Poultry feed milling

Turnover comprises revenue recognised by the group in respect of goods and services supplied exclusive of value added tax and trade discounts.

Turnover is recognised when the risks and rewards of ownership have passed to the customer which is generally on delivery.

Poultry rearing and breeding

Turnover is recognised as the date of despatch where the group is contracted to undertake the transportation of goods to the consumer's place of business. Turnover represents deliveries at invoice value to external customers less returns, discounts and allowance.

Poultry related sales

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods to external customers in the ordinary nature of the business. Turnover is recognised at the date of despatch where the company is contracted to undertake the transportation of goods to the customer's place of business. The fair value of consideration takes into account returns, discounts and rebates. Turnover is represented exclusive of value added tax.

Asset disposals

Turnover from the sale of plant and machinery located in the United Kingdom.

Green energy income

The Group provides low cost electricity through various green energy initiatives situated on our estate of our tenants. Income is recognised in line with the distribution of electricity.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is between 5 and up to a maximum of 10 years.

Negative goodwill

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

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 DECEMBER 2019

1 Accounting policies (Continued)

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Trade technology	5 - 25 years
Patents and trademarks	5 - 25 years

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, with the exception of milling assets which are initially measure at cost and subsequently measured at fair value less accumulated depreciated and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	10 - 40 years
Plant and equipment	4 - 20 years
Milling assets	10 - 40 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previous recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 DECEMBER 2019

1 Accounting policies (Continued)

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

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

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within creditors.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 DECEMBER 2019

1 Accounting policies (Continued)

Other financial assets

Other financial assets, including derivatives are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 DECEMBER 2019

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the group to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 DECEMBER 2019

1 Accounting policies (Continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant of £2.4m was received from New Anglia LEP in respect of investment in new production capacity and jobs. The grant is shown in creditors as the performance criteria have not yet been met. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. This class of government grants are accounted for using the performance model.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Exceptional items

In order to ensure comparability between the Group trading's results year on year, the Directors present certain items separately from administrative expenses so that the reader of the accounts can better understand the underlying performance of the business.

The decision to present an item as highlighted is a judgement of the Directors and is reserved for items of a non-recurring nature, or of such a significant size that they would materially distort the results of any particular period.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 DECEMBER 2019

1 Accounting policies (Continued)

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgments and estimates have had the most significant effect on amounts recognised in the financial statements.

Business Combinations

The directors have applied a number of estimates in assessing the fair value of the trade and certain assets acquired at the date of acquisition. Guidance has been taken for various asset classes from independent specialists engaged to value these assets.

Other assets are reviewed by the directors for its value and relevance to the trade and asset deal.

Negative Goodwill

Negative goodwill is released in line with the periods during which the non-monetary assets acquired are recovered.

On recognition, negative goodwill is allocated across the different non-monetary asset classes acquired. The directors have exercised judgement in determining an appropriate allocation to reflect the underlying value of non-monetary assets.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 DECEMBER 2019

2 Judgements and key sources of estimation uncertainty (Continued)

Tangible Fixed Assets and Investment Property valuation

The directors apply judgement in selecting the appropriate basis to value fixed assets and investments properties.

In determining the valuation for property assets not externally valued by an independent valuation specialist, the group is required to apply estimates over the effects of the current rental yields coupled with market conditions and the quality of the specific property.

Benchmarks from other properties either within the local area in the portfolio of the group or similar assets on the market will also be reviewed in forming a reasonable judgement over the fair value.

Where external valuations have not been performed, the Directors have made assessments over the value of the estate as at 29 December 2019 through reviewing the historical valuations in place for their relevance in the current year.

Related Party Debtors and Investments

The directors have applied a number of judgements and estimates over the related party debtors and investments in order to determine whether the carrying value of the assets is recoverable. The assessments involve reviewing the underlying business for its performance and modelling where possible its future business plans as a function of its present value.

The types of judgements and estimates made pertain to estimated future performance of the businesses, valuation multiples used and discount rates applied where relevant.

Revenue Recognition: Agent versus Principal

When undertaking live bird sales, the terms of the arrangements in place are reviewed in concluding whether the risk and rewards of the transaction is taken on by the group. A series of tests and indicators are scrutinised so that the judgement can be made as to whether the live bird sales are being conducted with the group acting as an agent or a principal. It is concluded that the group is acting as a principal in this regard.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 DECEMBER 2019

3 Prior period adjustment

During the year the directors conducted a review of historic consolidation journals and as a result have identified adjustments relating to 2018 and previous periods.

Amber REI acquired 2 Agriculture Limited in 2013. The group had recognised negative goodwill arising on this acquisition which was released on a straight line basis from the date of acquisition. Following review, this has been amended to reflect release in line with the periods during which the non-monetary assets acquired are recovered.

Certain milling assets had not fully applied a revaluation model which was consistent with other similar assets, leading to a £4.3m understatement in the value of those milling assets. This has been adjusted to apply the correct, consistent treatment in the consolidated financial statements.

Some subsidiary companies lease certain investment properties to other Group companies, and these assets are therefore classed as investment properties in the subsidiary accounts and as tangible fixed assets in the consolidated financial statements. In 2018, a £2.7m revaluation gain on investment properties was recognised within the subsidiary financial statements, but was not adjusted on consolidation leading to an overstatement of the revaluation gain on investment properties. This has been adjusted to apply the correct treatment in both the Statement of Comprehensive Income and the value of investment properties.

In 2018, bank overdrafts were shown as cash and cash equivalents in the Consolidated Statement of Cash Flows. The banking overdrafts were related to debt financing arrangements and should have been presented as financing activities. The 2018 comparatives have been restated to show this.

In the 2018 period, £18.3m of distribution costs was reported within administrative expenses in the Consolidated Statement of Comprehensive Income. Distribution costs is now shown in its own line in 2019 and restated for the 2018 comparatives.

In 2018, the related party transactions disclosure (note 34) did not include all companies in which a shareholder and director has joint control. The 2018 comparatives have been restated.

There is no impact on the Company only results.

Changes to the statement of financial position - group

	As previously reported £000	At 30 December 2018		As restated £000
		Adjustment at 1 Jan 2018 £000	Adjustment at 30 Dec 2018 £000	
Fixed assets				
Goodwill	(80,523)	(1,947)	(2,566)	(85,036)
Tangible assets	92,366	4,264	-	96,630
Investment properties	275,614	-	(2,709)	272,905
	<u>342,994</u>	<u>2,317</u>	<u>(5,275)</u>	<u>340,036</u>
Net assets				
	<u>342,994</u>	<u>2,317</u>	<u>(5,275)</u>	<u>340,036</u>
Capital and reserves				
Profit and loss	259,807	2,317	(5,275)	256,849
	<u>259,807</u>	<u>2,317</u>	<u>(5,275)</u>	<u>256,849</u>

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 DECEMBER 2019

3 Prior period adjustment (Continued)

Changes to the income statement - group

	Period ended 30 December 2018		
	As previously reported £000	Adjustment £000	As restated £000
Release of negative goodwill	14,208	(2,566)	11,642
Revaluation of investment properties	28,141	(2,709)	25,432
Profit for the financial period	<u>52,523</u>	<u>(5,275)</u>	<u>47,248</u>

4 Turnover

	2019 £000	2018 £000
Turnover analysed by class of business		
Rental income	42,715	45,182
Green energy income	3,446	3,586
Poultry feed milling and live poultry sales	317,555	312,260
Poultry related product sales	306,673	241,797
Asset disposals	433	1,968
	<u>670,822</u>	<u>604,793</u>
Turnover analysed by geographical market		
United Kingdom	643,556	576,293
Rest of World	27,266	28,500
	<u>670,822</u>	<u>604,793</u>

5 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Production and farm workers	2,095	1,574	-	-
Management, administrative and sales	417	217	45	37
	<u>2,512</u>	<u>1,791</u>	<u>45</u>	<u>37</u>

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 DECEMBER 2019

5 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
Wages and salaries	62,895	51,160	2,857	2,906
Social security costs	6,281	5,207	398	365
Pension costs	1,891	1,686	95	98
	<u>71,067</u>	<u>58,053</u>	<u>3,350</u>	<u>3,369</u>

6 Directors' remuneration

	2019 £000	2018 £000
Remuneration for qualifying services	1,220	1,620
Company pension contributions to defined contribution schemes	28	26
	<u>1,248</u>	<u>1,646</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2019 £000	2018 £000
Remuneration for qualifying services	386	749
Company pension contributions to defined contribution schemes	10	10
	<u>396</u>	<u>759</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2018 - 3).

7 Operating profit

	2019 £000	2018 £000
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	43	76
Government grants	(2)	(2)
Depreciation of owned tangible fixed assets	8,891	7,669
Depreciation of tangible fixed assets held under finance leases	191	299
Profit on disposal of tangible fixed assets	(4)	(237)
Profit on disposal of investment property	(3,969)	(19,995)
Amortisation of intangible assets	(6,722)	(10,570)
Cost of stocks recognised as an expense	535,116	469,323
Operating lease charges	<u>7,359</u>	<u>6,295</u>

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 DECEMBER 2019

7 Operating profit (Continued)

Included within creditors is a government grant of £2,441,000 (2018: £2,197,000). The grant is conditional upon completion of a capital project which is expected to be completed within the next 12 months. £nil (2018: £nil) has been recognised as income.

8 Auditor's remuneration

	2019 £000	2018 £000
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	60	39
Audit of the financial statements of the company's subsidiaries	253	121
	<u>313</u>	<u>160</u>
For other services		
Taxation compliance services	3	-
Taxation advisory services	6	-
Services relating to corporate finance transactions	71	-
All other non-audit services	96	-
	<u>176</u>	<u>-</u>

9 Interest receivable and similar income

	2019 £000	2018 £000
Interest income		
Interest on bank deposits	111	145
Income from fixed asset investments		
Income from other fixed asset investments	808	808
Total income	<u>919</u>	<u>953</u>

10 Interest payable and similar expenses

	2019 £000	2018 £000
Interest on bank overdrafts and loans	4,403	3,964
Interest on finance leases and hire purchase contracts	60	103
Total finance costs	<u>4,463</u>	<u>4,067</u>

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 DECEMBER 2019

11 Taxation

	2019 £000	2018 £000
Current tax		
UK corporation tax on profits for the current period	1,213	5,877
Adjustments in respect of prior periods	(1,108)	2,323
Total current tax	105	8,200
Deferred tax		
Origination and reversal of timing differences	192	3,426
Adjustment in respect of prior periods	1,114	(1,404)
Total deferred tax	1,306	2,022
Total tax charge	1,411	10,222

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2019 £000	2018 £000
Profit before taxation	786	57,470
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	149	10,919
Tax effect of expenses that are not deductible in determining taxable profit	4,396	4,751
Tax effect of income not taxable in determining taxable profit	(4,533)	(8,944)
Adjustments in respect of prior years	6	919
Effect of overseas tax rates	183	370
Fixed asset timing differences	(16)	275
Effect of change in tax rates	(350)	(253)
Other adjustments	491	1,179
Chargeable gains	1,085	1,006
Taxation charge	1,411	10,222

In the Spring Budget 2021, the Government announced that the corporation tax rate would remain at 19% until 2023. Following which, the rate of corporation tax will increase to 25% for profits over £250,000. This new law was substantively enacted on March 2021.

In addition to the amount charged to profit and loss £950,000 (2018: £Nil) has been recognised in other comprehensive income, which comprises deferred tax relating to the revaluation of the group's tangible fixed assets.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 DECEMBER 2019

12 Intangible fixed assets

Group	Goodwill £000	Negative goodwill £000	Trade technology £000	Patents and trademarks £000	Total £000
Cost					
At 30 December 2018	-	(129,718)	4,131	6,136	(119,451)
Additions - separately acquired	1,122	-	-	-	1,122
Exchange adjustments	-	147	-	-	147
At 29 December 2019	1,122	(129,571)	4,131	6,136	(118,182)
Amortisation and impairment					
At 30 December 2018 (As restated)	-	(44,682)	1,861	551	(42,270)
Amortisation charged for the year	224	(8,018)	827	245	(6,722)
At 29 December 2019	224	(52,700)	2,688	796	(48,992)
Carrying amount					
At 29 December 2019	898	(76,871)	1,443	5,340	(69,190)
At 30 December 2018 (As restated)	-	(85,036)	2,270	5,585	(77,181)

The company had no intangible fixed assets at 29 December 2019 or 30 December 2018.

The amortisation charge is recognised in administrative expenses in the profit and loss account. Amortisation on negative goodwill is shown on the face of the profit and loss account.

In February 2020, a poultry packing and selling business was acquired from Boparan Holdco Limited, a group with common control, for £1.3m. Goodwill additions in the year relate to the acquisition of trade and assets from this related company.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 DECEMBER 2019

13 Tangible fixed assets

Group	Freehold land and buildings £000	Plant and equipment £000	Milling assets £000	Total £000
Cost or valuation				
At 30 December 2018 (As restated)	25,244	55,779	48,063	129,086
Additions	191	11,283	1,849	13,323
Disposals	(57)	(835)	(112)	(1,004)
Revaluation	-	-	(18,772)	(18,772)
Transfer to investment property	(1,880)	-	-	(1,880)
Exchange adjustments	(581)	(645)	-	(1,226)
At 29 December 2019	22,937	65,582	31,028	119,547
Depreciation and impairment				
At 30 December 2018 (As restated)	1,796	9,127	21,533	32,456
Depreciation charged in the year	689	5,028	3,365	9,082
Eliminated in respect of disposals	-	(67)	(105)	(172)
Revaluation	-	-	(24,334)	(24,334)
Transfer to investment property	(76)	-	-	(76)
Exchange adjustments	(79)	(158)	-	(237)
At 29 December 2019	2,330	13,930	459	16,719
Carrying amount				
At 29 December 2019	20,607	51,652	30,569	102,828
At 30 December 2018 (As restated)	23,448	46,652	26,530	96,630
Company				Plant and equipment £000
Cost or valuation				
At 30 December 2018				37
Additions				15
At 29 December 2019				52
Depreciation and impairment				
At 30 December 2018				30
Depreciation charged in the year				6
At 29 December 2019				36
Carrying amount				
At 29 December 2019				16
At 30 December 2018				7

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 DECEMBER 2019

13 Tangible fixed assets (Continued)

Milling assets are valued by independent valuers every 5 years. The directors value the portfolio every 3 years. The last valuation was carried out on 27 May 2020.

On 27 May 2020, independent valuers, Savills Plc Chartered Surveyors, who are not connected with the company, were engaged to value the freehold buildings and plant and machinery in the milling portfolio as at 29 December 2019. Fair value of the assets are determined as the market value in existing use. The directors consider this valuation methodology to better reflect the inherent value of the operating assets.

Included within group plant and equipment additions are £Nil (2018: £13,894,000) of assets under construction.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Plant and equipment	1,290	1,481	-	-

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Cost	46,044	44,285	-	-
Accumulated depreciation	(32,242)	(30,500)	-	-
Carrying value	13,802	13,785	-	-

14 Investment property

	Group	Company
	2019	2019
	£000	£000
Fair value		
At 30 December 2018 (As restated)	272,905	6,935
Additions through external acquisition	3,068	433
Transfers from owner-occupied property	1,784	-
Disposals	(4,461)	(2,069)
Net gains or losses through fair value adjustments	(63)	-
At 29 December 2019	273,233	5,299

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 DECEMBER 2019

14 Investment property (Continued)

Investment property comprises freehold land and buildings. 20% of the agricultural investment properties' fair value has been arrived at on the basis of a joint valuation carried out at December 2019 by Savills Plc and Bidwells LLP Chartered Surveyors, who are not connected with the company. The valuation was made on a vacant possession basis.

For the remaining 80% of agricultural investment properties and processing sites that have not been valued externally, the Directors have made assessments over the value of the estate as at 29 December 2019. If land and buildings were stated on a historical cost basis rather than a fair value basis, the carrying amount that would have been included is £217,339,802 (2018: £231,024,124).

15 Fixed asset investments

	Notes	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
Investments in subsidiaries	16	-	-	29,090	29,090
Other investments		6,954	10,591	6,945	10,582
Loans		1,500	-	1,500	-
		<u>8,454</u>	<u>10,591</u>	<u>37,535</u>	<u>39,672</u>

Movements in fixed asset investments

Group	Loan investments £000	Other £000	Total £000
Cost or valuation			
At 30 December 2018	-	10,591	10,591
Additions	1,500	9,455	10,955
At 29 December 2019	<u>1,500</u>	<u>20,046</u>	<u>21,546</u>
Impairment			
At 30 December 2018	-	-	-
Impairment losses	-	13,092	13,092
At 29 December 2019	<u>-</u>	<u>13,092</u>	<u>13,092</u>
Carrying amount			
At 29 December 2019	<u>1,500</u>	<u>6,954</u>	<u>8,454</u>
At 30 December 2018	<u>-</u>	<u>10,591</u>	<u>10,591</u>

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 DECEMBER 2019

15 Fixed asset investments (Continued)

Movements in fixed asset investments Company	Shares in group undertakings £000	Loan investments £000	Other £000	Total £000
Cost or valuation				
At 30 December 2018	29,090	-	10,582	39,672
Additions	-	1,500	9,455	10,955
At 29 December 2019	29,090	1,500	20,037	50,627
Impairment				
At 30 December 2018	-	-	-	-
Impairment losses	-	-	13,092	13,092
At 29 December 2019	-	-	13,092	13,092
Carrying amount				
At 29 December 2019	29,090	1,500	6,945	37,535
At 30 December 2018	29,090	-	10,582	39,672

Loan notes

On 23 August 2019, the company purchased £1,500,000 of loan notes from Deep Blue Restaurants Limited (see note 34). On the same date, the company acquired 13,850,985 ordinary shares with a nominal value of 1p per share for in Deep Blue Restaurants Limited. These shares were purchased for a consideration of 28p per share.

Other investments

On 4 August 2014, the company purchased £2,500,000 £1 preference shares in Amber Residential Properties Limited for consideration of £2,500,000. These shares do not carry voting rights or the right to dividends.

On 19 January 2016, Amber REI Holdings Limited acquired 8,082,147 preference shares in Boparan Restaurants Holdings Limited (subsequently renamed Cinnamon Collection Limited on 7 March 2016). These shares do not carry a voting right but do carry a right to a dividend.

On 5 August 2019, the company acquired 1,389 ordinary B shares with a nominal value of £1 per share in Cinnamon Collection Limited for a consideration of £4,000 per share.

At the year end 29 December 2019, the Group's Directors have decided to impair related party investments of £13m as a result of the recent poor performance exhibited in the underlying business. The expectation is that this is only temporary, the respective business plans suggest that this investment value should be recovered in the future.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 DECEMBER 2019

16 Subsidiaries

Details of the company's subsidiaries at 29 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Amber Real Estate Investments (Agriculture) Limited	1	Leasing of agricultural property assets	Ordinary	100	-
Amber Real Estate Investments (Commercial) Limited	1	Property rental	Ordinary	100	-
Amber Real Estate Investments (Industrial) Limited	1	Property rental	Ordinary	100	-
Amber Real Estate Investments (Restaurants) Limited	1	Property rental	Ordinary	100	-
Amber Food Machinery Limited	1	Disposals, renting and leasing of machinery	Ordinary	100	-
Bernard Matthews Foods Limited	1	Processing of poultry livestock	Ordinary	100	-
Bernard Matthews Holdings Limited	1	Dormant	Ordinary	100	-
2 Agriculture Limited	1	Rearing of poultry	Ordinary	100	-
Bernard Matthews Green Energy Limited (renamed to 2 Agriculture Milling Limited)	1	Dormant	Ordinary	100	-
Bernard Matthews Limited (renamed to Bernard Matthews Frozen Limited)	1	Dormant	Ordinary	100	-
Bernard Matthews B.V.	3	Intermediary holding company	Ordinary	100	-
Faithful Pet Food Limited	1	Manufacture of pet food	Ordinary	100	-
Grove Turkeys Limited	2	Rearing of poultry	Ordinary	100	-
Grove Turkeys UK Limited	1	Dormant	Ordinary	100	-
SaGa Foods Zrt	4	Rearing of poultry	Ordinary	-	100
Pannon Pulyka KFT	4	Rearing of poultry	Ordinary	-	100
Sabaker KFT	4	Rearing of poultry	Ordinary	-	100
Rabaho KFT	4	Rearing of poultry	Ordinary	-	100

1 - 2nd Floor Colmore Court, 9 Colmore Row, Birmingham, B3 2BJ

2 - Smithboro, Co. Monaghan, Ireland

3 - Naritaweg 165, 1043 BW Amsterdam, Netherlands

4 - Hungary, 9600 Sárovar, Soproni street 15

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 DECEMBER 2019

17 Associates

Details of associates at 29 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect	
Holton Renewable Power Ltd	1	Renewable energy	Ordinary	-	45

1 - 4th Floor 36 Spital Square, London, England, E1 6DY

Investments in associates are held at nil value.

18 Stocks

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
Raw materials and consumables	14,158	14,952	-	-
Work in progress	2,569	2,284	-	-
Finished goods and goods for resale	18,672	26,395	-	-
	<u>35,399</u>	<u>43,631</u>	<u>-</u>	<u>-</u>

19 Debtors

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
Amounts falling due within one year:				
Trade debtors	79,002	67,150	1,737	772
Corporation tax recoverable	2,228	387	3	-
Amounts owed by group undertakings	-	-	149,505	113,410
Other debtors (see note 34)	124,230	114,125	118,822	110,002
Prepayments and accrued income	58,465	55,314	4,095	7,781
	<u>263,925</u>	<u>236,976</u>	<u>274,162</u>	<u>231,965</u>
Amounts falling due after more than one year:				
Derivative financial instruments	-	71	-	-
	<u>-</u>	<u>71</u>	<u>-</u>	<u>-</u>
Total debtors	<u>263,925</u>	<u>237,047</u>	<u>274,162</u>	<u>231,965</u>

Other debtors include balances totalling £115,273,000 (2018: £108,740,000) due from related parties.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 DECEMBER 2019

20 Creditors: amounts falling due within one year

		Group		Company	
	Notes	2019	2018	2019	2018
		£000	£000	£000	£000
Bank loans and overdrafts	22	13,407	7,771	3,200	-
Stocking loan	22	2,136	2,253	-	-
Obligations under finance leases	23	661	735	-	-
Other borrowings	22	-	1,596	-	-
Trade creditors		90,286	81,611	17	18
Amounts owed to group undertakings		-	-	56,037	16,555
Corporation tax payable		-	-	-	965
Other taxation and social security		2,890	2,346	167	154
Government grants		2,441	2,197	-	-
Other creditors		204	-	204	-
Accruals and deferred income		47,383	32,581	1,053	1,542
		<u>159,408</u>	<u>131,090</u>	<u>60,678</u>	<u>19,234</u>

Amounts owed by group undertakings are payable upon demand. No interest is charged on the balance.

21 Creditors: amounts falling due after more than one year

		Group		Company	
	Notes	2019	2018	2019	2018
		£000	£000	£000	£000
Bank loans and overdrafts	22	112,847	109,644	5,600	-
Obligations under finance leases	23	153	822	-	-
Other borrowings	22	-	6,324	-	-
Derivative financial instruments		47	-	-	-
Accruals and deferred income		557	2,146	-	1,541
		<u>113,604</u>	<u>118,936</u>	<u>5,600</u>	<u>1,541</u>

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 DECEMBER 2019

22 Borrowings

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Bank loans	119,380	113,134	8,800	-
Bank overdrafts	6,874	4,281	-	-
Stocking loan	2,136	2,253	-	-
Other loans	-	7,920	-	-
	<u>128,390</u>	<u>127,588</u>	<u>8,800</u>	<u>-</u>
Payable within one year	15,543	11,620	3,200	-
Payable after one year	<u>112,847</u>	<u>115,968</u>	<u>5,600</u>	<u>-</u>

Bank loans

The group has the following bank borrowings at the year end date:

Bank loan of £100,000,000 secured by a fixed charge over certain of the group's investment properties. The bank loan is stated net of debt issue costs of £339,000 (2018: £658,000) and interest accrues at 2.25% above LIBOR per annum. At 29 December 2019 the bank loan was due for repayment in 2021, following the year end date this has been extended to July 2024.

Bank loan of £8,333,000 secured against certain of the group's freehold land and buildings. Interest accrues at 2.5% above LIBOR per annum. The loan is repayable in equal quarterly instalments which commenced in June 2019 and will end in March 2022. On June 2021, the Group had completed a refinancing of its £100m loan facility for a 3 year term. The new repayment date for the loan will be on July 2024.

Bank loan of £2,586,000 (original currency HUF). Interest accrues at 0.95% per annum and the loan is repayable in 2021.

Bank loan of £8,800,000 secured against certain of the group's freehold land and buildings. Interest accrues at 3% above LIBOR per annum. The loan is repayable in equal quarterly instalments ending in September 2022.

Bank overdrafts

Bank overdrafts includes an advance from discounting agents amounting to £6,874,000 (2018: £4,281,000). The advance is secured against certain trade debtors and bears interest at 2.95%.

Stocking loan

Stocking loans are secured by the site assets and a floating charge over the remaining current assets.

Other loans

Other loans related to a sale and leaseback arrangement, where the loan was drawn to fund the construction of an asset.

During the year the sale and leaseback arrangement was novated to the parent company and terms agreed to refinance this as a bank loan.

The loan accrued interest at 2.5% per annum.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 DECEMBER 2019

23 Finance lease obligations

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
Future minimum lease payments due under finance leases:				
Less than one year	661	735	-	-
Between one and five years	153	822	-	-
	<u>814</u>	<u>1,557</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 1 year. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

24 Financial instruments

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	203,233	181,275	n/a	n/a
Equity instruments measured at cost less impairment	6,946	10,582	n/a	n/a
Instruments measured at fair value through profit or loss	-	71	-	-
	<u>-</u>	<u>71</u>	<u>-</u>	<u>-</u>
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Other financial liabilities	47	-	-	-
Measured at amortised cost	267,775	245,483	n/a	n/a
	<u>267,775</u>	<u>245,483</u>	<u>n/a</u>	<u>n/a</u>

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

25 Provisions for liabilities

	Notes	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
Dilapidations provision		600	217	600	217
Customer audit claims		68	50	-	-
		<u>668</u>	<u>267</u>	<u>600</u>	<u>217</u>
Deferred tax liabilities	26	25,247	22,991	75	75
		<u>25,915</u>	<u>23,258</u>	<u>675</u>	<u>292</u>

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 DECEMBER 2019

25 Provisions for liabilities (Continued)

Movements on provisions apart from deferred tax liabilities:

Group	Dilapidations provision £000	Customer audit claims £000	Total £000
At 30 December 2018	217	50	267
Additional provisions in the year	600	60	660
Utilisation of provision	(217)	(42)	(259)
At 29 December 2019	<u>600</u>	<u>68</u>	<u>668</u>

Company	Dilapidations provision £000	Customer audit claims £000	Total £000
At 30 December 2018	217	-	217
Additional provisions in the year	600	-	600
Utilisation of provision	(217)	-	(217)
At 29 December 2019	<u>600</u>	<u>-</u>	<u>600</u>

Dilapidations

The provision represents an estimate of amounts payable in relation to dilapidation requirements on property leases. This is expected to be incurred in the next 3 years.

Customer audit claims

A provision is held for customer order discrepancies that fall outside the scope of price or quantity variations. Differences between provisions and subsequent settlements are charged or credited to the profit or loss account.

26 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

Group	Liabilities 2019 £000	Liabilities 2018 £000
Accelerated capital allowances	3,231	2,334
Business combinations	1,417	1,581
Other timing differences	(531)	(311)
Chargeable gains	21,130	22,270
Tax losses	-	(2,883)
	<u>25,247</u>	<u>22,991</u>

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 29 DECEMBER 2019**

26 Deferred taxation (Continued)

	Liabilities	Liabilities
	2019	2018
Company	£000	£000
Accelerated capital allowances	80	80
Short term timing differences	(5)	(5)
	<u>75</u>	<u>75</u>
	<u><u>75</u></u>	<u><u>75</u></u>
	Group	Company
	2019	2019
	£000	£000
Movements in the year:		
Liability at 30 December 2018	22,991	75
Charge to profit or loss	1,306	-
Charge to other comprehensive income	950	-
	<u>25,247</u>	<u>75</u>
Liability at 29 December 2019	<u><u>25,247</u></u>	<u><u>75</u></u>

The accelerated capital allowances deferred tax liability set out above is expected to reverse in line with depreciation.

Deferred tax arising in business combinations is expected to reverse within 5 - 10 years.

Other timing differences are expected to reverse in line with the disposal of investment properties.

27 Retirement benefit schemes

	2019	2018
	£000	£000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>1,891</u>	<u>1,686</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Contributions totalling £445,299 (2018: £335,960) were payable to the fund at the end and are included within creditors.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 DECEMBER 2019

28 Share capital

	Group and company	
	2019	2018
	£000	£000
Ordinary share capital		
Issued and fully paid		
2,002 Ordinary of £1 each	2	2
	<u>2</u>	<u>2</u>

Ordinary shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

29 Reserves

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

Revaluation reserve

The cumulative revaluation gains and losses in respect of land and buildings, net of deferred tax. An amount is transferred in each year from the revaluation reserve to the profit and loss reserve in the Statement of Changes in Equity for the excess depreciation over that would have been charged under the historical cost approach.

Transfers to/from the revaluation reserve are made up of £1,637,000 (2018: £1,368,000) depreciation on revalued assets.

Profit and loss reserves

Profit and loss reserve comprise of cumulative profit and loss net of distributions to owners.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 DECEMBER 2019

30 Cash generated from group operations

	2019	2018
	£000	as restated £000
(Loss)/profit for the year after tax	(625)	47,248
Adjustments for:		
Taxation charged	1,411	10,222
Finance costs	4,463	4,067
Investment income	(919)	(953)
Gain on disposal of tangible fixed assets	(4)	(237)
Gain on disposal of investment property	(3,969)	(19,995)
Change in value in investment property	63	(25,432)
Impairment of fixed asset investments	13,092	-
Amortisation and impairment of intangible assets	(6,722)	(10,570)
Depreciation and impairment of tangible fixed assets	9,082	7,218
Increase/(decrease) in provisions	401	(371)
Movements in working capital:		
Decrease/(increase) in stocks	7,937	(16,037)
(Increase) in debtors	(25,480)	(28,157)
Increase in creditors	25,064	15,189
Cash generated from/(absorbed by) operations	23,794	(17,808)

31 Contingent liabilities

Amber REI Holdings Limited has guaranteed the liabilities of the following subsidiaries in order for them to qualify for the exemption from audit under section 479A of the Companies Act 2006 in respect of the year ended 29 December 2019.

- Amber Real Estate Investments (Industrial) Limited - 09885767
- Amber Food Machinery Limited - 09885830
- Amber Real Estate Investments (Restaurants) Limited - 09987426
- Amber Real Estate Investments (Commercial) Limited - 09885916
- Faithful Pet Food Limited - 11899591

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 DECEMBER 2019

32 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
Within one year	3,697	4,003	103	103
Between one and five years	4,461	7,226	51	154
In over five years	92	290	-	-
	<u>8,250</u>	<u>11,519</u>	<u>154</u>	<u>257</u>

Lessor

The leases are negotiated over average terms of 6 years.

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
Within one year	40,780	41,962	506	733
Between one and five years	106,151	141,397	1,266	1,747
In over five years	17,297	36,679	184	208
	<u>164,228</u>	<u>220,038</u>	<u>1,956</u>	<u>2,688</u>

33 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
Acquisition of tangible fixed assets	<u>20</u>	<u>-</u>	<u>-</u>	<u>-</u>

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 DECEMBER 2019

34 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel of the group, who are also directors, is as follows.

	2019 £000	2018 £000
Aggregate compensation	1,460	1,858

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Invoiced to		Invoiced from	
	2019 £000	2018 as restated £000	2019 £000	2018 as restated £000
Group				
Companies in which a shareholder and director has control	45,485	89,763	34,601	9,488
Companies in which a shareholder and director has joint control	257,247	255,181	121,929	118,846
Other related parties	71	35	-	-
	<u>257,316</u>	<u>255,216</u>	<u>121,929</u>	<u>118,846</u>
Company				
Companies in which a shareholder and director has control	2,759	2,706	421	254
Companies in which a shareholder and director has joint control	10	70	17	-
Other related parties	71	35	-	-
	<u>2,840</u>	<u>2,811</u>	<u>438</u>	<u>254</u>

Sales of property Invoiced

	2019 £000	2018 £000
Group		
Companies in which a shareholder and director has control	-	1,519
	<u>-</u>	<u>1,519</u>
Company		
Companies in which a shareholder and director has control	-	1,519
	<u>-</u>	<u>1,519</u>

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 DECEMBER 2019

34 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2019	2018
		as restated
	£000	£000
Group		
Companies in which a shareholder and director has control	2,372	960
Companies in which a shareholder and director has joint control	26,064	10,757
	<u> </u>	<u> </u>
Company		
Companies in which a shareholder and director has control	-	45
	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2019	2018
		as restated
	£000	£000
Group		
Companies in which a shareholder and director has control	3,995	5,036
Companies in which a shareholder and director has joint control	47,832	43,822
	<u> </u>	<u> </u>
Company		
Companies in which a shareholder and director has control	339	486
Companies in which a shareholder and director has joint control	10	-
	<u> </u>	<u> </u>

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 DECEMBER 2019

34 Related party transactions (Continued)

Loans to related parties	2019 £000	2018 £000
Group		
Companies in which a shareholder and director has control	114,657	108,365
Companies in which a shareholder and director has joint control	302	375
Other related parties	1,814	-
	<u>116,773</u>	<u>108,740</u>
Company		
Companies in which a shareholder and director has control	114,657	108,365
Companies in which a shareholder and director has joint control	302	375
Other related parties	1,814	-
	<u>116,773</u>	<u>108,740</u>
Loans from related parties	2019 £000	2018 £000
Group		
Companies in which a shareholder and director has control	204	-
	<u>204</u>	<u>-</u>
Company		
Companies in which a shareholder and director has control	204	-
	<u>204</u>	<u>-</u>

Related party loans are repayable on demand, are unsecured and bear no interest.

During the prior year businesses in which a shareholder and director had control had experienced financial difficulty. As such loan balances of £Nil (2018: £18,462,269) due from these entities have been written off. The closing balances stated above reflect the outstanding amount following any write offs.

The group provided guarantees totalling £19,717,000 at the year end, with that total now £11,945,000 as at the date of signing.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 DECEMBER 2019

35 Directors' transactions

Description	% Rate	Opening balance £000	Amounts advanced £000	Amounts repaid £000	Closing balance £000
Loan to director	-	4,106	426	(995)	3,537
		<u>4,106</u>	<u>426</u>	<u>(995)</u>	<u>3,537</u>

There is no interest charged by the directors and the loan is unsecured.

36 Events after the reporting date

In November 2020, Amber REI Holdings purchased £50m of Boparan Finance Plc secured loan notes paying 7.625% interest. To help fund the purchase, shareholders of the company had loaned the Company £40m of the £50m. Following which, £40m of loan notes acquired was used to repay the shareholder for the loan leaving the Company holding £10m of the loan notes.

The business of Saga Foods has been sold on 13 January 2020 for the completion value of £6.1 million. At 29 December 2019 Saga Foods held net assets to the value of £5.3 million.

In light of the information available as at the reporting date, the COVID-19 outbreak is considered a non-adjusting event. The Company has considered the impact of this pandemic on the business and this is set out within the Strategic Report on page 2 and Directors' Report on page 4.

On June 2021, the Group had completed a refinancing of its £100m loan facility for a 3 year term. The new repayment date for the loan will be on July 2024.

37 Controlling party

R S Boparan and B K Boparan are the ultimate controlling parties of the group.