

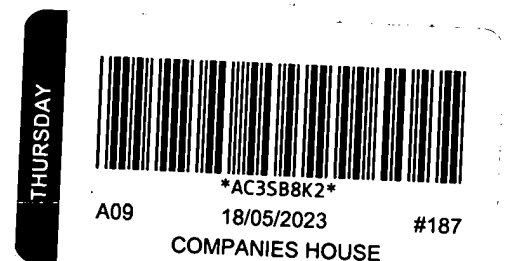
Company Registration No. 07191982 (England and Wales)

AMBER REI HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
2 JANUARY 2022

*Parent Company / Group Accounts
providing audit exemption to
Amber Food Machinery Limited*

Co # 09885830

See note 33



AMBER REI HOLDINGS LIMITED

COMPANY INFORMATION

Directors	R S Boparan R J Rafferty S Henderson M A Brostoff A S Haveron
Company number	07191982
Registered office	2nd Floor Colmore Court 9 Colmore Row Birmingham B3 2BJ
Auditor	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG

AMBER REI HOLDINGS LIMITED
2nd Floor Colmore Court
9 Colmore Row
Birmingham
B3 2BJ
United Kingdom

AMBER REI HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 2 JANUARY 2022

The directors present their Strategic Report for the year ended 2 January 2022. The prior year was 53 weeks ending 3 January 2021.

Throughout the financial statements, reference to the year ended 2 January 2022 represents 52 weeks of trading.

Fair review of the business

The Group's principal activities are property investment, poultry feed milling, producing added value poultry products and processing of turkey livestock for the retail sector.

During the period the Group made several acquisitions. Following a strategic review by Boparan Holdings Limited, a related party, of their manufacturing footprint and product offering, Boparan Holdings Limited decided to dispose of two loss-making sites in Derby and Sunderland. As a result, on 9 October 2021, the Group acquired the trade and assets of both these sites from Boparan Holdings Limited through reverse consideration satisfied by the transfer of finished goods. The directors are confident that the Group has the capability to turnaround both sites. The trade and assets acquired were limited to only fixed assets and stock. On 18 October 2021, the Group acquired 100% of the share capital of Banham Poultry (2018) Limited for £29.0m and received clearance from the Competition and Markets Authority on 25 March 2022.

Group turnover increased by £151.0m primarily due to the acquisitions in the period as well as increases in both poultry feed milling income led by rises in the selling price driven by year on year increased commodity prices and rental income from leased agricultural properties growing in line with the leases in place.

Group gross profit margin percentage decreased by 0.9% primarily due to the performance of Bernard Matthews Foods Limited. During the period both operational and technical management were strengthened at Bernard Matthews Foods Limited however, results were held back due to the challenges presented by the Covid-19 pandemic and Brexit.

Group operating profit from core trading activities increased by £15.4m predominately from the £20.5m revaluation gain on investment properties offset by a reduction in Group gross profit percentage.

During the period the UK continued to face unprecedented challenges from the Covid-19 pandemic. As a business we took steps to safeguard the health and wellbeing of our employees in line with government guidelines, and ensured that production and distribution of product to our customers continued uninterrupted.

The Group's financial health remains strong with a significant cash balance and net asset position. The Group maintains a positive financial outlook, supported by the continued growth in the poultry market. The directors have assessed the current difficulties in the macro-economic climate and do not believe this will significantly increase the going concern risk for the business.

AMBER REI HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 2 JANUARY 2022

Key performance indicators

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

	2 January 2022	3 January 2021
Turnover:		
Rental income (£m)	46.8	44.2
Green energy income (£m)	3.8	3.5
Poultry feed milling and live poultry sales (£m)	394.0	326.1
Poultry related product sales (£m)	385.0	304.5
Asset disposals (£m)	0.4	0.7
Gross profit margin (%)	20.9	21.8
Operating profit/(loss) from core trading activities (£m)	40.0	24.6
Net Assets (£m)	402.5	383.4

The KPI's noted above include the use of an alternative performance measure, being operating profit/(loss) from core trading activities. Operating profit or loss from core trading activities has been included as a KPI as it provides a better reflection of the year on year performance of the group. It excludes profit on sale of investment properties, impairments, other operating income and release of negative goodwill that are not representative of the Group's principal trading activities, as shown clearly on page 15.

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 by entering new markets and introducing new products.

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 economic uncertainty with respect to the cost of living crisis. The board of directors acknowledges this uncertainty and continues to monitor its associated risks however, at present the risk is not deemed high given our business is both directly and indirectly serving the food retail sector.

AMBER REI HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 2 JANUARY 2022

Operational risks

2 Agriculture Limited is a key subsidiary in the Group, which produces animal feed. 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 throughout the Group, 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, where the Group actively monitor the prices and where possible use forward buying to try and mitigate this risk as much as possible. 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 Group brands remain key operational challenges, which management actively monitor.

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.

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.

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.

AMBER REI HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 2 JANUARY 2022

Financial Risk Management (continued)

Interest rate risk

Interest rate risk is the risk to the Group from fluctuating market interest rates. Bank loans attract interest at a margin above SONIA. As the banking covenants stipulate, the Group requires 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 make up the majority of 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 to 31 March 2024 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.

Events after the reporting date

On 3 January 2022, the shareholder of Amber REI Holdings Limited exchanged the ordinary shares they held of the Company for the ordinary shares of Boparan Private Office Limited. From 3 January 2022, Boparan Private Office Limited is the immediate parent company of Amber REI Holdings Limited. There are no changes in the controlling parties of the new group.

Following a strategic review by Boparan Holdings Limited, a related party, of their manufacturing footprint and product offering, Boparan Holdings Limited decided to dispose of a loss-making biscuit production factory, which was in a closure consultation process. As a result, on 12 February 2022, the Group acquired the trade and assets of this factory from Boparan Holdings Limited for no consideration. The directors are confident that the Group has the capability to turnaround this factory. The trade and assets acquired were limited to only fixed assets and stock. The rationale for this acquisition is to enhance our offerings to our existing customers.

On 25 March 2022, the Competition and Markets Authority provided clearance for the acquisition of Banham Poultry (2018) Limited.

On 3 January 2023, the Competition and Markets Authority referred the anticipated joint venture between 2 Agriculture Limited, a subsidiary of the Company, and ForFarmers UK Holdings Limited for an in depth investigation. After taking into consideration, among other things, the impact on current business, the duration and costs involved, and the impact this process will have on both employees and farmers the parties have decided to abandon the proposed joint venture plans.

S172 Statement

The directors confirm that during the period under review, it has acted fairly between members of the Group to promote the long term success of the Group for the benefit of all shareholders, whilst having regard to the matters set out in section 172(1)(a)-(f) of the Companies Act 2006 in the decisions taken during the period ended 2 January 2022, further detail of which is set out below. One key area in the period was how the Directors made communications to its different stakeholder groups in light of the Covid-19 pandemic.

The key area for the Group during the period was the ongoing response to Covid-19. The Group have consulted and been in regular contact with stakeholders during the period, including holding regular Covid-19 briefings with our people. The below table includes the decisions and outcomes of the Covid-19 specific considerations to continue to promote the long term success of the company.

AMBER REI HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 2 JANUARY 2022

Why we engage	How we engage	What matters most to our stakeholders	How we respond	COVID – 19 specific considerations
Our people				
We wish to continue to be a responsible employer, both in terms of continuing to ensure the health, safety and wellbeing of our people and also ensuring we maintain a responsible approach to the pay and benefits our people receive.	<p>We get to know our team members and give them the opportunity to have a voice, have meetings and an opportunity for feedback.</p> <p>There are training and development programmes, internal communications and a regular appraisal and review process.</p>	Employee safety and wellbeing, diversity and inclusion, career and personal development, fair pay, clarity of direction, mutual respect and enjoyment at work.	Communication newsletters and/or noticeboards, information videos for our colleagues, regular appraisals and feedback.	There were social distancing measures, with training, support and advice on working safely. PPE was provided and there were regular COVID-19 briefings.
Our customers				
Our purpose is to deliver high quality service to all of our customers, who are at the heart of everything we do.	<p>We work closely with our customers to let them know our product range, capabilities, NPD, and that we can meet their requirements to maintain continuity of supply.</p> <p>All of our initiatives focus on clear communication.</p>	<p>Our customers want products supplied at the right price, level of service and on time delivery, with consistency of supply and technical compliance.</p> <p>It is important that we hold full accreditations to all certified bodies.</p>	We are always there for our customers, with an efficient order process, regular contact and communication from the commercial team.	<p>We prioritised customer safety throughout the COVID-19 pandemic.</p> <p>We followed government guidelines in all processes.</p>

AMBER REI HOLDINGS LIMITED**STRATEGIC REPORT (CONTINUED)****FOR THE YEAR ENDED 2 JANUARY 2022**

Why we engage	How we engage	What matters most to our stakeholders	How we respond	COVID – 19 specific considerations
Our suppliers				
<p>We let suppliers know both our requirements and the standards expected, so that they meet our expectations.</p> <p>Without supplier partnerships we cannot guarantee high quality products to sell to our customers.</p>	<p>Our purchasing teams work directly with supplier sales contacts, supply timely purchase orders, and provide regular forecasts on requirements.</p> <p>There is constant, ongoing communication with suppliers.</p>	<p>Healthy sustainable supply relationship, credit worthiness, financial stability to meet our commitments and adherence to both anti-bribery and anti-modern slavery laws.</p>	<p>We work closely to provide feedback on delivery performance and quality of product/service.</p> <p>Suppliers are benchmarked and there is a regular tendering process.</p>	<p>We communicated fully any variation in supply, including any peaks or reduced demand.</p> <p>We ensured suppliers had appropriate PPE on site and were able to deliver products safely.</p>
Trade bodies				
<p>It is particularly important to our customers that we achieve and maintain the required standards in order to obtain the necessary accreditations that our customers require.</p>	<p>We retain active membership of all necessary trade bodies. There are regular meetings, audits & inspections, site visits and contact with the accrediting bodies.</p>	<p>Maintain relationship with all regulatory bodies and demonstrate food safety and compliance to all trade bodies.</p>	<p>Maintain standards required by all food authority bodies.</p> <p>The senior leadership team sit on steering meetings and actively engage in all initiatives.</p>	<p>We demonstrated that we followed government guidelines in all processes and maintained a safe working environment.</p> <p>We also followed best proactive initiatives.</p>
Our communities and the environment				
<p>We take our responsibilities to the local community seriously.</p> <p>We acknowledge the responsibility we have to protect the environment and to minimise the environmental impact of our activities.</p>	<p>Our businesses have regular meetings with local neighbourhood groups as well as engage in local charity initiatives.</p>	<p>That we are a responsible employer that respects our neighbours, local community and the wider environment.</p>	<p>We have regular meetings with local neighbourhood groups and maintain relationships with local council officers.</p>	<p>Acted responsibly by following government guidelines in all activities and maintained a safe working environment.</p>

On behalf of the board

Rob Rafferty

R J Rafferty
Director

Date: 30/3/2023

AMBER REI HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 2 JANUARY 2022

The Directors present their report and the financial statements for the year ended 2 January 2022. 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

(Resigned 16 December 2022)

A S Haveron

(Resigned 9 September 2022, reappointed 20 February 2023)

M A Brostoff

(Appointed 5 January 2023)

Results and dividends

The profit for the year, after taxation, amounted to £26,918,000 (53 weeks ending 3 January 2021: profit £38,055,000).

A dividend of £10,000,000 was paid in the year (53 weeks ending 3 January 2021: nil). The directors do not recommend the payment of a final dividend (53 weeks ending 3 January 2021: 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. Further information on employee engagement is detailed in the Strategic Report on page 5.

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.

AMBER REI HOLDINGS LIMITED**DIRECTORS' REPORT (CONTINUED)****FOR THE YEAR ENDED 2 JANUARY 2022****Energy and carbon reporting**

	2 January 2022		3 January 2021	
<i>Energy consumption</i>	kWh		kWh	
Aggregate of energy consumption in the year	214,587,238		194,956,063	
<i>Emissions of CO2 equivalent</i>	Metric tonnes	Metric tonnes	Metric tonnes	Metric tonnes
Scope 1 - direct emissions				
- Gas combustion	19,549.00		20,309.00	
- Fuel consumed for owned transport	8,085.00		6,947.00	
		27,634.00		27,256.00
Scope 2 - indirect emissions				
- Electricity purchased		19,754.00		16,523.00
Total gross emissions		47,388.00		43,779.00
<i>Intensity ratio</i>				
kg CO2e per £1 million sales value		57.00		66.00

Quantification and reporting methodology

The Group has followed the 2019 HM Government Environmental Reporting Guidelines and reported only for all UK companies within the Group. See note 17 for reference. The group has also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per £1 million sales value, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The Group strives to reduce energy and associated carbon emissions, through operational and technological improvements, including:

- ⌘ Introduction of weekly reporting of energy KPI's to ensure site management are aware of any changes in efficiency at short notice
- ⌘ Driver Training and Incentive Scheme to achieve best fuel performance
- ⌘ Ongoing replacement programme of traditional tube lightening with LED lighting
- ⌘ Implement operational improvements working with partners to recycle as much waste generated in the production processes as possible
- ⌘ Using ingredients which are less energy intensive in the production process

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.

AMBER REI HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 2 JANUARY 2022

Other information

An indication of likely future developments in the business, particulars of significant events which have occurred since the end of the financial year and financial risks have been included in the Group Strategic Report on page 2. Details of how the Directors have engaged with employees and key stakeholders of the business such as suppliers and customer are detailed in the Group Strategic Report on pages 5 and 6.

On behalf of the board

Rob Rafferty

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R J Rafferty
Director

30/3/2023

Date:

AMBER REI HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 2 JANUARY 2022

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 year ended 2 January 2022, 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 2 January 2022 and of the group's profit 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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as cost-of-living crisis and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 themselves. 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.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 10, 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.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- ⌘ We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and group, and determined that the most significant are those that relate to the reporting frameworks (FRS 102 and Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which the company operates.
- ⌘ We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit.
- ⌘ We understood how the company and group is complying with relevant legal and regulatory frameworks by making enquiries of management.
- ⌘ We corroborated our enquiries through our review of board minutes and certain other audit procedures.
- ⌘ In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, environmental, and bribery and corruption practices.
- ⌘ We assessed the susceptibility of financial statements to material misstatement, including how fraud might occur by meeting with management from different parts of the business to understand where it is considered there was a susceptibility of fraud. We also considered performance targets and their propensity to influence efforts made by management to manage earnings. We considered the programs and controls that the company and group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programs and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- ⌘ Our audit procedures involved journal entry testing, with a focus on journals indicating large or unusual transactions based on our understanding of the business and enquiries of management. In addition, we completed audit procedures to conclude on the compliance of disclosures in the Report and Financial Statements with applicable financial reporting requirements.
- ⌘ These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- ⌘ Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - ⌘ understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - ⌘ knowledge of the industry in which the client operates
 - ⌘ understanding of the legal and regulatory requirements specific to the company including:
 - ⌘ the provisions of the applicable legislation
 - ⌘ the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules
 - ⌘ the applicable statutory provisions
- ⌘ We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.
- ⌘ In assessing the potential risks of material misstatement, we obtained an understanding of:
 - ⌘ the company and group's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - ⌘ the applicable statutory provisions
- ⌘ The company and group's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, including the adequacy of the training to inform staff of the relevant legislation, rules and other regulations of the regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the company's compliance with regulatory requirements and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.

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

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.

Joanne Love (Senior Statutory Auditor) *Grant Thornton UK LLP*
For and on behalf of Grant Thornton UK LLP, Statutory Auditor
Chartered Accountants
30 Finsbury Square
London
EC2A 1AG
30/3/2023.....

AMBER REI HOLDINGS LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 2 JANUARY 2022**

		2 January 2022 £000	3 January 2021 £000
	Notes		
Turnover	3	830,007	679,010
Cost of sales		(656,209)	(530,852)
Gross profit		173,798	148,158
Distribution costs		(26,212)	(21,263)
Administrative expenses		(128,096)	(100,806)
Revaluation of investment properties		20,542	(1,427)
Operating profit from core trading activities		40,032	24,662
(Loss)/profit on sale of investment properties		(30)	1,492
Impairment reversal		-	5,009
Other operating income	6	4,031	7,193
Release of negative goodwill		10,158	12,910
Operating profit after non-core trading activities	6	54,191	51,266
Other interest receivable and similar income	8	400	107
Interest payable and similar expenses	9	(3,718)	(3,674)
Other gains and losses	10	(1,163)	1,763
Profit before taxation		49,710	49,462
Tax on profit	11	(22,792)	(11,407)
Profit for the financial year		26,918	38,055
Other comprehensive income			
Revaluation of tangible fixed assets		3,637	2,359
Currency translation differences		(225)	212
Tax relating to other comprehensive income		(1,338)	(492)
Total comprehensive income for the year		28,992	40,134

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.

Company Registration No. 07191982

AMBER REI HOLDINGS LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 2 JANUARY 2022**

		2 January 2022		3 January 2021	
	Notes	£000	£000	£000	£000
Fixed assets					
Goodwill	13		2,004		674
Negative goodwill	13		(70,616)		(64,095)
Net goodwill			(68,612)		(63,421)
Other intangible assets	13		4,850		5,712
Total intangible assets			(63,762)		(57,709)
Tangible fixed assets	14		152,983		94,694
Investment properties	15		290,336		269,457
Investments	16		11,963		22,082
Loan investments	16		1,500		1,500
			393,020		330,024
Current assets					
Stocks	20	61,129		35,349	
Debtors	21	309,606		249,763	
Cash at bank and in hand		42,572		50,978	
		413,307		336,090	
Creditors: amounts falling due within one year	22	(241,464)		(147,738)	
Net current assets			171,843		188,352
Total assets less current liabilities			564,863		518,376
Creditors: amounts falling due after more than one year	23		(107,111)		(103,804)
Provisions for liabilities	26		(55,302)		(31,114)
Net assets			402,450		383,458
Capital and reserves					
Called up share capital	29		2		2
Share premium account	30		70,548		70,548
Revaluation reserve	30		16,397		15,839
Profit and loss reserves	30		315,503		297,069
Total equity			402,450		383,458

The financial statements were approved by the board of directors and authorised for issue on 30/3/2023 and are signed on its behalf by:

Rob Rafferty

 R J Rafferty
 Director

Company Registration No. 07191982

AMBER REI HOLDINGS LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 2 JANUARY 2022**

		2 January 2022		3 January 2021	
	Notes	£000	£000	£000	£000
Fixed assets					
Tangible assets	14		12		38
Investment properties	15		4,079		6,048
Investments	16		70,119		51,175
Loan investments	16		1,500		1,500
			<u>75,710</u>		<u>58,761</u>
Current assets					
Debtors	21	233,635		224,286	
Cash at bank and in hand		6,029		18,636	
		<u>239,664</u>		<u>242,922</u>	
Creditors: amounts falling due within one year	22	(86,818)		(42,425)	
		<u></u>		<u></u>	
Net current assets			152,846		200,497
Total assets less current liabilities			<u>228,556</u>		<u>259,258</u>
Creditors: amounts falling due after more than one year	23		-		(2,884)
Provisions for liabilities	26		(717)		(666)
			<u></u>		<u></u>
Net assets			<u>227,839</u>		<u>255,708</u>
Capital and reserves					
Called up share capital	29		2		2
Share premium account	30		70,548		70,548
Profit and loss reserves	30		157,289		185,158
			<u></u>		<u></u>
Total equity			<u>227,839</u>		<u>255,708</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 £17,869,000 (3 January 2021: £3,429,000 profit).

The financial statements were approved by the board of directors and authorised for issue on 30/3/2023 and are signed on its behalf by:

Rob Rafferty

R J Rafferty
Director

AMBER REI HOLDINGS LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 2 JANUARY 2022**

	Notes	Share capital £000	Share premium account £000	Revaluation reserve £000	Profit and loss reserves £000	Total £000
Balance at 30 December 2019		2	70,548	15,641	257,133	343,324
Year ended 3 January 2021:						
Profit for the year		-	-	-	38,055	38,055
Other comprehensive income:						
Revaluation of tangible fixed assets		-	-	2,359	-	2,359
Currency translation differences		-	-	-	212	212
Tax relating to other comprehensive income		-	-	(492)	-	(492)
Total comprehensive income for the year		-	-	1,867	38,267	40,134
Transfers		-	-	(1,669)	1,669	-
Balance at 3 January 2021		2	70,548	15,839	297,069	383,458
Year ended 2 January 2022:						
Profit for the year		-	-	-	26,918	26,918
Other comprehensive income:						
Revaluation of tangible fixed assets		-	-	3,637	-	3,637
Currency translation differences		-	-	-	(225)	(225)
Tax relating to other comprehensive income		-	-	(1,338)	-	(1,338)
Total comprehensive income for the year		-	-	2,299	26,693	28,992
Dividends	12	-	-	-	(10,000)	(10,000)
Total transactions with owners		-	-	-	(10,000)	(10,000)
Transfers		-	-	(1,741)	1,741	-
Balance at 2 January 2022		2	70,548	16,397	315,503	402,450

AMBER REI HOLDINGS LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 2 JANUARY 2022**

	Notes	Share capital £000	Share premium account £000	Profit and loss reserves £000	Total £000
Balance at 30 December 2019		2	70,548	181,729	252,279
Year ended 3 January 2021:					
Profit and total comprehensive income for the year		-	-	3,429	3,429
Balance at 3 January 2021		2	70,548	185,158	255,708
Year ended 2 January 2022:					
Loss and total comprehensive income for the year		-	-	(17,869)	(17,869)
Dividends	12	-	-	(10,000)	(10,000)
Total transactions with owners		-	-	(10,000)	(10,000)
Balance at 2 January 2022		2	70,548	157,289	227,839

AMBER REI HOLDINGS LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 2 JANUARY 2022**

		2 January 2022		3 January 2021	
	Notes	£000	£000	£000	£000
Cash flows from operating activities					
Cash generated from operations	31		39,391		47,772
Income taxes paid			(6,611)		(5,143)
Net cash inflow from operating activities			32,780		42,629
Investing activities					
Purchase of business net of cash acquired		(9,308)		-	
Proceeds of disposal of business		-		6,189	
Purchase of tangible fixed assets		(13,441)		(6,595)	
Proceeds on disposal of tangible fixed assets		335		493	
Purchase of investment property		(9,681)		(4,942)	
Proceeds on disposal of investment property		2,716		8,784	
Purchase of investments		-		(10,035)	
Proceeds on disposal of investments		8,956		-	
Interest received		400		107	
Net cash used in investing activities			(20,023)		(5,999)
Financing activities					
Repayment of borrowings		(6,671)		(9,488)	
Interest paid		(3,718)		(3,674)	
Increase/decrease of finance lease obligations		(711)		(1,417)	
Advance of debt factoring facility		158		1,244	
Dividends paid to equity shareholders		(10,000)		-	
Net cash used in financing activities			(20,942)		(13,335)
Net (decrease)/increase in cash and cash equivalents			(8,185)		23,295
Cash and cash equivalents at beginning of year			50,978		27,602
Effect of foreign exchange rates			(221)		81
Cash and cash equivalents at end of year			42,572		50,978

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 2 JANUARY 2022

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 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.

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 2 January 2022. 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.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 JANUARY 2022

1 Accounting policies (Continued)

Basis of consolidation (continued)

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 to 31 March 2024 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 a number of scenarios including the removal of strategic investment property disposals and a reduction in sales. Even under these circumstances, the Directors currently believe the Company can continue to satisfy its bank covenants and maintain sufficient liquidity over the next 12 months. A reverse stress test has also been conducted to assess at what point would the model not operate which the Directors see as highly improbable. Mitigating actions are also available to the group in managing their liquidity. The Group is funded by its own reserves and by third party loans with a balance of £119,758,000 (3 January 2021: £120,146,000).

In June 2021, the Group completed a refinancing of its £100m loan facility for a 3 year term. In June 2022, the Group took out the option to extend the facility by a further year. The current repayment date for the loan will be on July 2025. There is further opportunity to extend the facility by an additional year on the 2nd anniversary date. This extension would have to be agreed by the lenders.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 2 JANUARY 2022

1 Accounting policies (Continued)

Turnover

Rental income

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 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

Profit from the disposal of plant and machinery located in the United Kingdom.

Green energy income

The Group provides low cost electricity goods through various green energy initiatives situated on our estate of our tenants. Income is recognised in line with the distribution of electricity, which is in line with when the electricity has been generated.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business 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 and is allocated first to fixed assets and then stock. It is presented 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.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 JANUARY 2022

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; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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. Land is not subject to depreciation.

Depreciation is recognised on a straight line basis 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

Upon revaluation of milling assets both the gross carrying amount and the accumulated depreciation are adjusted to reflect the revaluation.

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.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 2 JANUARY 2022

1 Accounting policies (Continued)

Fixed asset investments

Investments other than loans are non basic debt instruments that are accounted for as fair value through profit or loss. Loan investments and other are both basic debt instruments and stated as amortised cost less impairment.

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 indicators of 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.

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.

For a financial asset measured at cost less impairment the impairment loss is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount that the entity would receive for the asset if it were to be sold at the reporting date.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in-first-out principle. 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.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 JANUARY 2022

1 Accounting policies (Continued)

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.

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.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 2 JANUARY 2022

1 Accounting policies (Continued)

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.

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 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.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 2 JANUARY 2022

1 Accounting policies (Continued)

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.

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 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.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 2 JANUARY 2022

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.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 JANUARY 2022

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 judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

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. The carrying value of negative goodwill is shown in note 13.

Tangible Fixed Assets and Investment Property valuation

The directors apply judgement in selecting the appropriate basis to value milling assets and investment properties. This relates to milling assets as shown in note 14 of £35.1m and to Investment Properties as shown in note 15 of £290m.

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 2 January 2022 through reviewing the historical valuations in place for their relevance in the current year.

Investments

The directors have applied a number of judgements and estimates in relation to assessing indicators for impairment in investments. FRS 102 Section 11 requires that where an indicator of impairment is identified for a financial asset, the recoverability of the asset is determined by estimating the future expected cash flows related to the asset and then discounting these at the original effective interest rate. For the investments identified where a recoverability assessment was required, the directors have reviewed the underlying business and expected performance of the investment to model the future cash flows. The key assumption underpinning the investments' carrying value is driven by the expected future revenue growth in their underlying businesses, as this is the key driver of how the businesses will generate future cashflows as a function of its present value through a value in use calculation. If the assumptions regarding this revenue growth were to change, this will have an impact on the carrying value these investments. The carrying value these exercise pertains to is £13.5m of other investments as seen in note 16.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 2 JANUARY 2022

2 Judgements and key sources of estimation uncertainty (Continued)

Related Party Debtors

The directors have applied a number of judgements and estimates in relation to assessing whether the carrying value of the related party loan debtors are recoverable. FRS 102 Section 11 requires that where an indicator of impairment is identified for a financial asset, the recoverability of the asset is determined by estimating the future expected cash flows related to the asset and then discounting these at the original effective interest rate. For the outstanding related party loans identified where a recoverability assessment was required, the derivation of the future cash flows involved reviewing the underlying business and expected performance of the borrower to model the cash flows that would be available to repay any amounts due.

The key assumption underpinning the ability of the related party debtors to repay is driven by the expected future revenue growth in their underlying businesses, as this is the key driver of how the businesses will generate future cashflows to repay the amounts due to the Group. If the assumptions regarding this revenue growth were to change, this will have an impact on the carrying value these loans. The total value of loans this exercise pertains for the Group to is £124.6m as seen in note 36. For the parent company only financial statements, the total value of loans subject to this exercise was £93.8m as seen in note 21.

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, as the group bears full responsibility for the quality of the product, the group can set prices and the group bears the full risks of non-payment.

Business combinations

The assets and liabilities acquired on acquisition are required to be included in the accounts at their fair value on the date of acquisition. This requires directors judgement in the identification of these assets and liabilities from all three acquisitions. The company has included the fair value in the accounts.

The acquisition of certain trade and assets of two poultry sites in Derby and Sunderland included the potential for contingent consideration depending on the level of performance improvement. The directors have concluded that it is not probable that any contingent consideration would arise and therefore no contingent consideration has been recognised.

The Group acquired 100% share capital of Banham Poultry (2018) Limited on 18 October 2021 however, the Group did not receive Competition and Markets Authority clearance until 25 March 2022. The directors have assessed the criteria for control under FRS102 and deemed control was obtained on acquisition rather than the date of obtaining clearance.

For all three acquisitions, the acquired plant, property and equipment were valued by an external valuation specialist under a continued use basis which assumes the retention of and continued use of the asset as part of the current and forecast operations. The directors have applied judgement on the utilisation rate used to determine the fair value of the plant, property and equipment.

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 2 JANUARY 2022

3 Turnover and other revenue

	2 January 2022 £000	3 January 2021 £000
Turnover analysed by class of business		
Rental income	46,796	44,226
Green energy income	3,786	3,456
Poultry feed milling and live poultry sales	394,038	326,096
Poultry related product sales	384,975	304,565
Asset disposals	412	667
	<u>830,007</u>	<u>679,010</u>
	2 January 2022 £000	3 January 2021 £000
Turnover analysed by geographical market		
United Kingdom	826,957	674,977
Europe	2,608	4,033
Rest of the world	442	-
	<u>830,007</u>	<u>679,010</u>

4 Employees

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

	Group 2 January 2022 Number	3 January 2021 Number	Company 2 January 2022 Number	3 January 2021 Number
Production and farm workers	2,868	2,027	-	-
Management, administrative and sales	481	384	46	44
	<u>3,349</u>	<u>2,411</u>	<u>46</u>	<u>44</u>

AMBER REI HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 2 JANUARY 2022****4 Employees (Continued)**

Their aggregate remuneration comprised:

	Group		Company	
	2 January	3 January	2 January	3 January
	2022	2021	2022	2021
	£000	£000	£000	£000
Wages and salaries	89,665	67,174	5,729	4,278
Social security costs	8,136	6,636	736	534
Pension costs	2,226	2,047	252	194
	<u>100,027</u>	<u>75,857</u>	<u>6,717</u>	<u>5,006</u>
Redundancy payments made or committed	<u>226</u>	<u>711</u>	<u>38</u>	<u>38</u>

5 Directors' remuneration

	2 January	3 January
	2022	2021
	£000	£000
Remuneration for qualifying services	2,291	1,642
Company pension contributions to defined contribution schemes	34	29
	<u>2,325</u>	<u>1,671</u>

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

	2 January	3 January
	2022	2021
	£000	£000
Remuneration for qualifying services	863	635
Company pension contributions to defined contribution schemes	10	10
	<u>873</u>	<u>645</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2021 - 3).

AMBER REI HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 2 JANUARY 2022****6 Operating profit**

	2 January 2022 £000	3 January 2021 £000
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	343	(132)
Government grants	-	(2,486)
Supply chain management income	(3,603)	(3,636)
Coronavirus Job Retention Scheme (CJRS) income	(71)	(654)
Depreciation of owned tangible fixed assets	11,865	9,979
Depreciation of tangible fixed assets held under finance leases	1,701	819
(Profit)/loss on disposal of tangible fixed assets	-	3
Loss/(profit) on disposal of investment property	30	(1,492)
Amortisation of intangible assets	(9,014)	(11,615)
Operating lease charges	5,445	5,297
	<u> </u>	<u> </u>

In 2021 a grant, which was conditional upon completion of a capital project, was completed and £2,486,000 was recognised as income.

Other operating income of £4,031,000 (2021: £7,193,000) includes government grants of £nil (2021: £2,486,000), supply chain management income of £3,603,000 (2021: £3,636,000) and other income of £428,000 (2021: £1,071,000).

7 Auditor's remuneration

	2 January 2022 £000	3 January 2021 £000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	287	99
Audit of the financial statements of the company's subsidiaries	288	212
	<u>575</u>	<u>311</u>
For other services		
Taxation compliance services	3	3
Tax advisory services	10	-
	<u>13</u>	<u>3</u>

AMBER REI HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 2 JANUARY 2022****8 Interest receivable and similar income**

	2 January 2022 £000	3 January 2021 £000
Interest income		
Interest on bank deposits	400	106
Other interest income	-	1
	<u>400</u>	<u>107</u>
Total income	400	107
	<u><u>400</u></u>	<u><u>107</u></u>
Disclosed on the income statement as follows:		
Other interest receivable and similar income	400	107
	<u><u>400</u></u>	<u><u>107</u></u>

9 Interest payable and similar expenses

	2 January 2022 £000	3 January 2021 £000
Interest on bank overdrafts and loans	3,672	3,582
Interest on finance leases and hire purchase contracts	46	92
	<u>3,718</u>	<u>3,674</u>
Total finance costs	3,718	3,674
	<u><u>3,718</u></u>	<u><u>3,674</u></u>

10 Other gains and losses

	2 January 2022 £000	3 January 2021 £000
Change in value of financial assets held at fair value through profit or loss	(1,163)	84
Gain on disposal of fixed asset investments	-	1,679
	<u>(1,163)</u>	<u>1,763</u>
	<u><u>(1,163)</u></u>	<u><u>1,763</u></u>

AMBER REI HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 2 JANUARY 2022****11 Taxation**

	2 January 2022 £000	3 January 2021 £000
Current tax		
UK corporation tax on profits for the current period	4,949	6,754
Adjustments in respect of prior periods	142	(197)
Total current tax	<u>5,091</u>	<u>6,557</u>
Deferred tax		
Origination and reversal of timing differences	12,114	2,577
Changes in tax rates	5,525	1,641
Adjustment in respect of prior periods	62	632
Total deferred tax	<u>17,701</u>	<u>4,850</u>
Total tax charge	<u>22,792</u>	<u>11,407</u>

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:

	2 January 2022 £000	3 January 2021 £000
Profit before taxation	<u>49,710</u>	<u>49,462</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (3 January 2021: 19.00%)	9,445	9,398
Tax effect of expenses that are not deductible in determining taxable profit	1,181	1,451
Tax effect of income not taxable in determining taxable profit	(1,833)	(3,411)
Change in unrecognised deferred tax assets	7	-
Adjustments in respect of prior years	204	435
Effect of overseas tax rates	(96)	(62)
Fixed asset timing differences	1,455	593
Effect of change in deferred tax rates	6,740	1,661
Other adjustments	(264)	(23)
Chargeable gains	8,599	1,892
Release of deferred tax on acquisition	(1,141)	-
Transfer pricing	(167)	(527)
Deferred tax taken to other comprehensive income	(1,338)	-
Taxation charge	<u>22,792</u>	<u>11,407</u>

AMBER REI HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 2 JANUARY 2022****11 Taxation (Continued)**

	2 January 2022	3 January 2021
	£000	£000
Revaluation of investments	1,338	492

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021. Deferred tax has been calculated at 25% which was the tax rate substantively enacted at 2 January 2022.

In addition to the amount charged to profit and loss £1,338,000 (2021: £492,000) has been recognised in other comprehensive income, which comprises deferred tax relating to the revaluation of the group's tangible fixed assets.

12 Dividends

	2 January 2022	3 January 2021
	£000	£000
Recognised as distributions to equity holders:		
Final paid	10,000	-

There were no final dividends proposed as at 2 January 2022.

13 Intangible fixed assets

Group	Goodwill	Negative goodwill	Trade technology	Patents and trademarks	Total
	£000	£000	£000	£000	£000
Cost					
At 4 January 2021	1,122	(129,705)	4,131	6,136	(118,316)
Additions - business combinations	1,612	(16,837)	-	-	(15,225)
Exchange adjustments	-	158	-	-	158
At 2 January 2022	2,734	(146,384)	4,131	6,136	(133,383)
Amortisation and impairment					
At 4 January 2021	448	(65,610)	3,514	1,041	(60,607)
Amortisation charged for the year	282	(10,158)	617	245	(9,014)
At 2 January 2022	730	(75,768)	4,131	1,286	(69,621)
Carrying amount					
At 2 January 2022	2,004	(70,616)	-	4,850	(63,762)
At 3 January 2021	674	(64,095)	617	5,095	(57,709)

The company had no intangible fixed assets at 2 January 2022 or 3 January 2021.

AMBER REI HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 2 JANUARY 2022**13 Intangible fixed assets (Continued)**

The amortisation charge is recognised in administrative expenses in the consolidated statement of comprehensive income except for amortisation of negative goodwill which is shown separately in the consolidated statement of comprehensive income.

During the year the group acquired Banham Poultry (2018) Limited and the trade and assets of poultry sites in Derby and Sunderland, see note 19.

14 Tangible fixed assets

Group	Freehold land and buildings £000	Plant and equipment £000	Milling assets £000	Total £000
Cost or valuation				
At 4 January 2021	19,329	65,541	31,963	116,833
Additions	944	12,878	4,148	17,970
Business combinations	5,028	39,863	-	44,891
Disposals	-	(984)	-	(984)
Revaluation	-	-	(339)	(339)
Transfers from investment property (see note 15)	6,598	-	-	6,598
Exchange adjustments	(390)	(302)	-	(692)
At 2 January 2022	31,509	116,996	35,772	184,277
Depreciation and impairment				
At 4 January 2021	2,179	19,412	548	22,139
Depreciation charged in the year	1,250	8,728	3,588	13,566
Eliminated in respect of disposals	-	(649)	-	(649)
Revaluation	-	-	(3,478)	(3,478)
Exchange adjustments	(82)	(202)	-	(284)
At 2 January 2022	3,347	27,289	658	31,294
Carrying amount				
At 2 January 2022	28,162	89,707	35,114	152,983
At 3 January 2021	17,150	46,129	31,415	94,694

AMBER REI HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 2 JANUARY 2022****14 Tangible fixed assets (Continued)**

Company	Plant and equipment £000
Cost or valuation	
At 4 January 2021	88
Additions	7
Disposals	(19)
At 2 January 2022	76
Depreciation and impairment	
At 4 January 2021	50
Depreciation charged in the year	14
At 2 January 2022	64
Carrying amount	
At 2 January 2022	12
At 3 January 2021	38

Milling assets are valued by independent valuers as a minimum every five years. The last independent valuation was undertaken on 27 May 2020 by Savills Plc Chartered Surveyors, who are not connected with the Group, were engaged to value the milling assets. 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.

The directors carry out an assessment of the value of the milling assets each year, with the last directors assessment being carried out on 2 January 2022.

The value of freehold land within Freehold Land and Buildings is £7.0m (2021: £7.0m).

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

	Group		Company	
	2 January 2022 £000	3 January 2021 £000	2 January 2022 £000	3 January 2021 £000
Plant and equipment	2,509	2,351	640	2,351

AMBER REI HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 2 JANUARY 2022****14 Tangible fixed assets (Continued)**

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	3 January
	2 January	2021
	2022	2021
	£000	£000
Cost	52,212	48,064
Accumulated depreciation	(36,189)	(34,193)
Carrying value	<u>16,023</u>	<u>13,871</u>

15 Investment property

	Group	Company
	2 January	2 January
	2022	2022
	£000	£000
Fair value		
At 4 January 2021	269,457	6,048
Additions through external acquisition	9,681	427
Transfers to owner-occupied property (see note 14)	(6,598)	-
Disposals	(2,746)	(2,471)
Net gains or losses through fair value adjustments	<u>20,542</u>	<u>75</u>
At 2 January 2022	<u>290,336</u>	<u>4,079</u>

Investment property comprises freehold land and buildings relating to both agricultural and industrial processing sites.

19% of the agricultural investment properties' fair value has been arrived at on the basis of a joint valuation carried out at January 2022 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 81% of agricultural investment properties that have not been valued externally, the Directors have made assessments over the value of the estate as at 2 January 2022.

13% of the industrial processing sites investment properties' fair value has been arrived at on the basis of a joint valuation carried out at March 2022 by Kroll Advisory Limited, who are not connected with the company. The valuation was made on a vacant possession basis. For the remaining 87% of industrial processing sites investment properties that have not been valued externally, the Directors have made assessments over the value of the estate as at 2 January 2022.

If investment property were stated on a historical cost basis rather than a fair value basis, the carrying amount that would have been included is £219,693,000 (3 January 2021: £218,658,000).

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 2 JANUARY 2022

16 Fixed asset investments

	Notes	Group 2 January 2022 £000	3 January 2021 £000	Company 2 January 2022 £000	3 January 2021 £000
Investments in subsidiaries	17	-	-	58,165	29,102
Investments other than loans		-	10,119	-	10,119
Other investments		11,963	11,963	11,954	11,954
Loan investments		1,500	1,500	1,500	1,500
		<u>13,463</u>	<u>23,582</u>	<u>71,619</u>	<u>52,675</u>
Financial assets held at fair value					
Listed investments carrying amount		-	10,119	-	10,119
		<u>-</u>	<u>10,119</u>	<u>-</u>	<u>10,119</u>

Movements in fixed asset investments

Group	Investments other than loans £000	Loan investments £000	Other £000	Total £000
Cost or valuation				
At 4 January 2021	10,119	1,500	20,045	31,664
Valuation changes (see note 10)	(1,163)	-	-	(1,163)
Disposals	(8,956)	-	-	(8,956)
	<u>-</u>	<u>1,500</u>	<u>20,045</u>	<u>21,545</u>
At 2 January 2022	-	1,500	20,045	21,545
Impairment				
At 4 January 2021 and 2 January 2022	-	-	8,082	8,082
	<u>-</u>	<u>-</u>	<u>8,082</u>	<u>8,082</u>
Carrying amount				
At 2 January 2022	-	1,500	11,963	13,463
	<u>-</u>	<u>1,500</u>	<u>11,963</u>	<u>13,463</u>
At 3 January 2021	10,119	1,500	11,963	23,582
	<u>10,119</u>	<u>1,500</u>	<u>11,963</u>	<u>23,582</u>

AMBER REI HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 2 JANUARY 2022****16 Fixed asset investments (Continued)****Movements in fixed asset investments**

Company	Shares in group undertakings £000	Investments other than loans £000	Loan investments £000	Other £000	Total £000
Cost or valuation					
At 4 January 2021	29,102	10,119	1,500	20,036	60,757
Additions (see note 19)	29,063	-	-	-	29,063
Valuation changes	-	(1,163)	-	-	(1,163)
Disposals	-	(8,956)	-	-	(8,956)
At 2 January 2022	58,165	-	1,500	20,036	79,701
Impairment					
At 4 January 2021 and 2 January 2022	-	-	-	8,082	8,082
Carrying amount					
At 2 January 2022	58,165	-	1,500	11,954	71,619
At 3 January 2021	29,102	10,119	1,500	11,954	52,675

Investments other than loans

On September 2021 the group disposed of a subscription of Boparan Finance plc secured loan notes due for redemption at 2025. Up to the point of disposal, the Boparan Finance plc secured loan notes were listed investments with a level one quoted market price which is deemed as the fair value.

Loan investments

On 23 August 2019, the company purchased £1,500,000 of loan notes from Deep Blue Restaurants Limited.

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. This is a related investment by way of common shareholder.

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. These preference shares have a carrying value of £nil. This is a related investment by way of common shareholder.

On 5 August 2019, the company acquired 1,389 ordinary B shares with a nominal value of £1 per share in Boparan Restaurants Holdings Limited for a consideration of £4,000 per share. This is a related investment by way of common shareholder.

On 23 August 2019, the company acquired 13,850,985 ordinary shares with a nominal value of 1p per share in Deep Blue Restaurants Limited. These shares were purchased for a consideration of 28p per share.

At the year end 29 December 2019, the Group's Directors decided to impair related party investments of £13m as a result of the recent poor performance exhibited in the underlying business. At the year ended 3 January 2021 an impairment reversal of £5m was made as a result of a restructuring of the underlying businesses in 2020.

AMBER REI HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 2 JANUARY 2022****17 Subsidiaries**

Details of the company's subsidiaries at 2 January 2022 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	Dormant	Ordinary	100	-
Amber Real Estate Investments (Industrial) Limited	1	Property rental	Ordinary	100	-
Amber Real Estate Investments (Restaurants) Limited	1	Dormant	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	-
BMPO Limited (formerly Bernard Matthews Holdings Limited)	1	Dormant	Ordinary	100	-
2 Agriculture Limited	1	Manufacture of poultry feed	Ordinary	100	-
2 Agriculture Milling Limited	1	Manufacture of poultry feed	Ordinary	-	100
Bernard Matthews Frozen Limited	1	Processing of poultry	Ordinary	100	-
Bernard Matthews B.V.	3	Intermediary holding company	Ordinary	-	100
Bernard Matthews Foods (Derby) Limited (formerly Faithful Pet Food Limited)	1	Processing of poultry	Ordinary	100	-
Grove Turkeys Limited	2	Rearing of poultry	Ordinary	100	-
Grove Turkeys (UK) Limited	1	Processing of poultry livestock	Ordinary	-	100
Banham Poultry (2018) Limited	1	Processing of poultry livestock	Ordinary	100	-
Bernard Matthews Foods (Sunderland) Limited (formerly Thyme Food UK Limited)	1	Processing of poultry	Ordinary	100	-
Pannon Pulyka KFT	4	Dormant	Ordinary	-	100
Sabaker KFT	4	Dormant	Ordinary	-	100
Rabaho KFT	4	Dormant	Ordinary	-	100
Banham Transport Services Limited	1	Dormant	Ordinary	-	100
Banham Poultry Farms Limited	1	Dormant	Ordinary	-	100
Banham Poultry Produce Limited	1	Dormant	Ordinary	-	100
Waste to Power Limited	1	Dormant	Ordinary	-	100
Banham Power Limited	1	Dormant	Ordinary	-	100
Banham Proteins Limited	1	Dormant	Ordinary	-	100

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 2 JANUARY 2022

17 Subsidiaries (Continued)

- 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 Sárvár, Soproni street 15

18 Associates

Details of associates at 2 January 2022 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.

19 Acquisition

On 9 October 2021 the group acquired the trade and assets of a poultry site in Derby from Boparan Holdings Limited, a related party, for no consideration.

Negative goodwill arose on the acquisition of £12.7m.

The below table summarises the assets which were purchased.

	Book Value £000	Adjustments £000	Fair Value £000
Net assets acquired			
Property, plant and equipment	12,482	(3,308)	9,174
Inventories	7,408	-	7,408
Trade and other payables	-	(216)	(216)
Deferred tax	-	(3,660)	(3,660)
	<u>19,890</u>	<u>(7,184)</u>	<u>12,706</u>
Total identifiable net assets			
	<u>19,890</u>	<u>(7,184)</u>	<u>12,706</u>
Negative goodwill			(12,669)
			<u>37</u>
Total consideration			37
The consideration was satisfied by:			£000
Acquisition cost			37
			<u>37</u>

AMBER REI HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 2 JANUARY 2022**19 Acquisition (Continued)**

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

	£000
Turnover	35,508
Profit before tax	281
	<u> </u>

On 9 October 2021 the group acquired Thyme Food UK Limited for £1 from a related party and subsequently renamed the company Bernard Matthews Foods (Sunderland) Limited. Immediately after the group acquired the trade and assets of a poultry site in Sunderland from Boparan Holdings Limited, a related party, for no consideration.

Negative goodwill arose on the acquisition of £4.2m.

The below table summarises the assets which were purchased.

	Book Value £000	Adjustments £000	Fair Value £000
Net assets acquired			
Property, plant and equipment	992	2,211	3,203
Inventories	2,333	-	2,333
Trade and other payables	-	(107)	(107)
Deferred tax	-	(1,224)	(1,224)
	<u> </u>	<u> </u>	<u> </u>
Total identifiable net assets	3,325	880	4,205
	<u> </u>	<u> </u>	
Negative goodwill			(4,168)
			<u> </u>
Total consideration			37
			<u> </u>
The consideration was satisfied by:			£000
Acquisition cost			37
			<u> </u>
			<u> </u>

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

	£000
Turnover	16,868
Profit before tax	2,644
	<u> </u>

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 JANUARY 2022

19 Acquisition (Continued)

On 18 October 2021 the group acquired 100 percent of the issued capital of Banham Poultry (2018) Limited for consideration of £29m.

On the acquisition date, a charge was created over the shares of Banham Poultry (2018) Limited and held by the previous owners as security over the deferred consideration. The charge was released on 3 February 2023.

The principal activity of Banham Poultry (2018) Limited was the processing of poultry products.

The goodwill arising on acquisition was £1.6m and considered to have a useful life of 10 years.

The below table summarises the assets which were purchased.

	Book Value £000	Adjustments £000	Fair Value £000
Net assets acquired			
Property plant and equipment	26,448	6,066	32,514
Inventories	9,674	-	9,674
Trade and other receivables	13,943	-	13,943
Cash and cash equivalents	760	-	760
Borrowings	(6,125)	-	(6,125)
Trade and other payables	(23,315)	-	(23,315)
Deferred tax	2,459	(2,459)	-
	<u>23,844</u>	<u>3,607</u>	<u>27,451</u>
Goodwill			<u>1,612</u>
Total consideration			<u>29,063</u>

Banham Poultry (2018) Limited had recognised a deferred tax asset on losses at acquisition, although it had a track record of losses. Amber REI Holdings Limited will only recognise a deferred tax asset when there is sufficient history of trading profit capable of utilising those losses. As such, that asset was derecognised on acquisition. The property, plant and equipment purchase price adjustments results in a deferred tax liability however, as the liability is less than the unrecognised deferred tax asset it can be fully settled against it leading to no deferred tax being recognised at acquisition.

The consideration was satisfied by:	£000
Cash	27,000
Acquisition costs	2,063
	<u>29,063</u>

AMBER REI HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 2 JANUARY 2022****19 Acquisition (Continued)**

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

	£000
Turnover	29,473
Profit before tax	1,772
	<u> </u>

The rationale for these acquisitions is to maintain meat supply capacity and fulfil our customers' orders. The Group expects to be able to turn these business around through driving efficiencies, synergies and the opportunity to secure retail business by leveraging our strong customer relationships.

20 Stocks

	Group 2 January 2022 £000	3 January 2021 £000
Raw materials and consumables	30,527	17,295
Work in progress	7,060	1,802
Finished goods and goods for resale	23,542	16,252
	<u>61,129</u>	<u>35,349</u>

21 Debtors

	Group 2 January 2022 £000	3 January 2021 £000	Company 2 January 2022 £000	3 January 2021 £000
Amounts falling due within one year:				
Trade debtors	149,362	104,273	436	-
Corporation tax recoverable	2,424	812	1,871	1,043
Amounts owed by group undertakings	-	-	93,764	88,751
Other debtors	138,612	132,496	131,996	128,015
Prepayments and accrued income	19,208	12,182	5,568	6,477
	<u>309,606</u>	<u>249,763</u>	<u>233,635</u>	<u>224,286</u>

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

Trade debtors include balances totalling £69,275,000 (3 January 2021: £58,277,000) due from related parties.

Other debtors include balances totalling £124,591,000 (3 January 2021: £128,006,000) due from related parties.

Impairment totalling £16,197,000 (3 January 2021: £nil) has been taken against amounts owed by group undertakings.

AMBER REI HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 2 JANUARY 2022****22 Creditors: amounts falling due within one year**

		Group		Company	
		2 January	3 January	2 January	3 January
		2022	2021	2022	2021
	Notes	£000	£000	£000	£000
Bank loans and overdrafts	24	13,009	14,651	2,400	3,200
Stocking loan	24	2,523	2,261	-	-
Obligations under finance leases	25	1,774	711	641	634
Trade creditors		137,668	84,050	556	279
Amounts owed to group undertakings		-	-	54,417	37,100
Other taxation and social security		8,973	4,956	214	311
Other creditors		33,421	1,060	26,621	-
Accruals and deferred income		44,096	40,049	1,969	901
		<u>241,464</u>	<u>147,738</u>	<u>86,818</u>	<u>42,425</u>

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

On 8 March 2022 the Group received £7.0m from a third party trading partner to be repaid over equal instalments to 1 March 2026 where no interest is to be charged.

23 Creditors: amounts falling due after more than one year

		Group		Company	
		2 January	3 January	2 January	3 January
		2022	2021	2022	2021
	Notes	£000	£000	£000	£000
Bank loans and overdrafts	24	104,226	103,234	-	2,400
Obligations under finance leases	25	1,390	566	-	484
Trade creditors		1,493	-	-	-
Accruals and deferred income		2	4	-	-
		<u>107,111</u>	<u>103,804</u>	<u>-</u>	<u>2,884</u>

AMBER REI HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 2 JANUARY 2022****24 Borrowings**

	Group		Company	
	2 January	3 January	2 January	3 January
	2022	2021	2022	2021
	£000	£000	£000	£000
Bank loans	108,959	109,767	2,400	5,600
Debt factoring facility	8,276	8,118	-	-
Stocking loan	2,523	2,261	-	-
	<u>119,758</u>	<u>120,146</u>	<u>2,400</u>	<u>5,600</u>
Payable within one year	15,532	16,912	2,400	3,200
Payable after one year	<u>104,226</u>	<u>103,234</u>	<u>-</u>	<u>2,400</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 £533,000 (3 January 2021: £nil) and interest accrues at 2.75% above SONIA per annum. The repayment date for the loan is in July 2025, with an option to extend for a further 12 months.

Bank loan of £2,400,000 secured against certain of the group's freehold land and buildings. Interest accrues at 3% above SONIA per annum. The loan is repayable in equal quarterly instalments ending in September 2022.

Bank loan of £833,000 secured against certain freehold land and buildings of the group. Interest accrues at 2.5% above SONIA per annum. The loan is repayable in equal quarterly instalments of £833,000.

Bank loan of £5,750,000 was acquired on acquisition of Banham and is secured against certain plant and equipment of the group. Interest accrues at 8.267% per annum. The loan is repayable in equal monthly instalments of £125,000.

Loan for funding under the Sustaining Enterprise Fund amounting to £509,000 (3 January 2021: £nil).

Debt factoring facility

Debt factoring facility includes an advance from discounting agents amounting to £8,276,000 (3 January 2021: £8,118,000). 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.

AMBER REI HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 2 JANUARY 2022****25 Finance lease obligations**

	Group 2 January 2022 £000	3 January 2021 £000	Company 2 January 2022 £000	3 January 2021 £000
Future minimum lease payments due under finance leases:				
Less than one year	1,774	711	641	634
Between one and five years	1,390	566	-	484
	<u>3,164</u>	<u>1,277</u>	<u>641</u>	<u>1,118</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 1-3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Finance leases are secured against the assets according to the terms of the hire purchase agreements to which they relate.

26 Provisions for liabilities

	Notes	Group 2 January 2022 £000	3 January 2021 £000	Company 2 January 2022 £000	3 January 2021 £000
Dilapidations provision		600	600	600	600
Customer audit claims		256	50	-	-
		<u>856</u>	<u>650</u>	<u>600</u>	<u>600</u>
Deferred tax liabilities	27	54,446	30,464	117	66
		<u>55,302</u>	<u>31,114</u>	<u>717</u>	<u>666</u>

Movements on provisions apart from deferred tax liabilities:

Group	Dilapidations provision £000	Customer audit claims £000	Total £000
At 4 January 2021	600	50	650
Additional provisions in the year	-	1,603	1,603
Utilisation of provision	-	(1,397)	(1,397)
At 2 January 2022	<u>600</u>	<u>256</u>	<u>856</u>

AMBER REI HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 2 JANUARY 2022****26 Provisions for liabilities (Continued)**

Company	Dilapidations provision £000	Customer audit claims £000	Total £000
At 4 January 2021 and 2 January 2022	600	-	600

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.

27 Deferred taxation

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

Group	Liabilities 2 January 2022 £000	Liabilities 3 January 2021 £000
Accelerated capital allowances	9,325	5,949
Business combinations	2,708	(71)
Other timing differences	(133)	(38)
Chargeable gains	42,546	24,624
	<u>54,446</u>	<u>30,464</u>
Company	Liabilities 2 January 2022 £000	Liabilities 3 January 2021 £000
Accelerated capital allowances	117	89
Tax losses	-	(22)
Short term timing differences	-	(1)
	<u>117</u>	<u>66</u>

AMBER REI HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 2 JANUARY 2022****27 Deferred taxation (Continued)**

	Group	Company
	2 January	2 January
	2022	2022
	£000	£000
Movements in the year:		
Liability at 4 January 2021	30,464	66
Charge to profit or loss	17,701	51
Charge to other comprehensive income	1,338	-
Other	4,943	-
Liability at 2 January 2022	<u>54,446</u>	<u>117</u>

Included within other movements is £4,884,000 of deferred tax arising on business combinations net of £59,000 other differences.

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.

28 Retirement benefit schemes

	2 January	3 January
	2022	2021
	£000	£000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>2,226</u>	<u>2,047</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 £592,000 (3 January 2021: £436,000) were payable to the fund at the end and are included within creditors.

29 Share capital

	Group and Company			
	2 January	3 January	2 January	3 January
	2022	2021	2022	2021
	Number	Number	£000	£000
Ordinary share capital				
Issued and fully paid				
Ordinary of £1 each	<u>2,002</u>	<u>2,002</u>	<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.

AMBER REI HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 2 JANUARY 2022****30 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 milling assets, 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 from the revaluation reserve are made up of £1,741,000 (3 January 2021: £1,669,000) depreciation on revalued assets.

Profit and loss reserves

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

31 Cash generated from group operations

	2 January 2022 £000	3 January 2021 £000
Profit for the year after tax	26,918	38,055
Adjustments for:		
Taxation charged	22,792	11,407
Finance costs	3,718	3,674
Investment income	(400)	(107)
(Gain)/loss on disposal of tangible fixed assets	-	3
Loss/(gain) on disposal of investment property	30	(1,492)
Change in value of investment properties	(20,542)	1,427
Impairment of fixed assets investments	-	(5,009)
Amortisation and impairment of intangible assets	(9,014)	(11,615)
Depreciation and impairment of tangible fixed assets	14,064	10,798
Gain on sale of investments	-	(1,679)
Other gains and losses	1,163	(84)
Increase/(decrease) in provisions	206	(18)
Movements in working capital:		
Increase in stocks	(6,365)	(1,458)
(Increase)/decrease in debtors	(44,288)	11,274
Increase/(decrease) in creditors	51,109	(7,404)
Cash generated from operations	39,391	47,772

AMBER REI HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 2 JANUARY 2022****32 Analysis of changes in net debt - group**

	4 January 2021 £000	Cash flows and disposals £000	Acquisitions and disposals £000	Other non-Exchange rate cash changes £000	movements £000	2 January 2022 £000
Cash at bank and in hand	50,978	(8,945)	760	-	(221)	42,572
Bank overdrafts	(8,118)	(158)	-	-	-	(8,276)
	<u>42,860</u>	<u>(9,103)</u>	<u>760</u>	<u>-</u>	<u>(221)</u>	<u>34,296</u>
Borrowings excluding overdrafts	(112,028)	6,671	(6,125)	-	-	(111,482)
Obligations under finance leases	(1,277)	711	-	(2,598)	-	(3,164)
	<u>(70,445)</u>	<u>(1,721)</u>	<u>(5,365)</u>	<u>(2,598)</u>	<u>(221)</u>	<u>(80,350)</u>

AMBER REI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 2 JANUARY 2022

33 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 2 January 2022.

- ⌘ 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
- ⌘ Grove Turkeys (UK) Limited - 12179930

34 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 2 January 2022 £000	3 January 2021 £000	Company 2 January 2022 £000	3 January 2021 £000
Within one year	1,999	3,508	-	13
Between one and five years	3,313	2,579	-	13
In over five years	215	-	-	-
	<u>5,527</u>	<u>6,087</u>	<u>-</u>	<u>26</u>

Lessor

The leases are negotiated over average terms of 4 years.

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

	Group 2 January 2022 £000	3 January 2021 £000	Company 2 January 2022 £000	3 January 2021 £000
Within one year	48,918	43,324	582	535
Between one and five years	168,583	68,533	1,749	755
In over five years	22,144	13,875	370	159
	<u>239,645</u>	<u>125,732</u>	<u>2,701</u>	<u>1,449</u>

AMBER REI HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 2 JANUARY 2022****35 Capital commitments**

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2 January	3 January	2 January	3 January
	2022	2021	2022	2021
	£000	£000	£000	£000
Acquisition of tangible fixed assets	53	177	-	-
	<u>53</u>	<u>177</u>	<u>-</u>	<u>-</u>

36 Related party transactions**Remuneration of key management personnel**

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

	2 January	3 January
	2022	2021
	£000	£000
Aggregate compensation	2,325	1,889
	<u>2,325</u>	<u>1,889</u>

Transactions with related parties

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

	Invoiced to		Invoiced from	
	2 January	3 January	2 January	3 January
	2022	2021	2022	2021
	£000	£000	£000	£000
Group				
Companies in which a shareholder and director has control	59,530	57,806	45,909	39,177
Companies in which a shareholder and director has joint control	332,386	274,408	132,348	128,391
Other related parties	97	30	-	-
	<u>391,913</u>	<u>332,244</u>	<u>178,257</u>	<u>167,568</u>
Company				
Companies in which a shareholder and director has control	457	1,295	384	375
Companies in which a shareholder and director has joint control	8	99	142	3
Other related parties	97	30	-	-
	<u>562</u>	<u>1,424</u>	<u>526</u>	<u>378</u>

AMBER REI HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 2 JANUARY 2022****36 Related party transactions (Continued)**

	Purchase of property	
	2 January 2022	3 January 2021
	£000	£000
Group and company		
Companies in which a shareholder and director has control	-	1,527
	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2 January 2022	3 January 2021
	£000	£000
Group		
Companies in which a shareholder and director has control	10,631	2,215
Companies in which a shareholder and director has joint control	16,398	12,905
	<u> </u>	<u> </u>
Company		
Companies in which a shareholder and director has control	40	5
	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2 January 2022	3 January 2021
	£000	£000
Group		
Companies in which a shareholder and director has control	11,585	13,617
Companies in which a shareholder and director has joint control	57,690	44,660
	<u> </u>	<u> </u>
Company		
Companies in which a shareholder and director has control	19	397
Companies in which a shareholder and director has joint control	33	181
	<u> </u>	<u> </u>

AMBER REI HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 2 JANUARY 2022****36 Related party transactions (Continued)**

Loans to related parties	2 January 2022		3 January 2021	
	£000		£000	
Group				
Companies in which a shareholder and director has control	124,591		127,554	
Companies in which a shareholder and director has joint control	-		452	
Other related parties	1,500		1,500	
	<u>126,091</u>		<u>129,506</u>	
Company				
Companies in which a shareholder and director has control	124,591		127,554	
Companies in which a shareholder and director has joint control	-		452	
Other related parties	1,500		1,500	
	<u>126,091</u>		<u>129,506</u>	
Loans from related parties				
	2 January 2022		3 January 2021	
	£000		£000	
Group				
Companies in which a shareholder and director has control	-		2,000	
	<u>-</u>		<u>2,000</u>	
Company				
Companies in which a shareholder and director has control	-		-	
	<u>-</u>		<u>-</u>	

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

In November 2020, the group made a subscription of Boparan Finance plc secured loan notes due for redemption at 2025. This holding has been sold in September 2021.

The group provided guarantees totalling £25,972,000 at the year end. The Group is in constant review of the underlying businesses that have been provided guarantees and do not expect future outflows to occur.

AMBER REI HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 2 JANUARY 2022****37 Directors' transactions**

Description	% Rate	Opening balance £000	Amounts advanced £000	Amounts repaid £000	Closing balance £000
Loan to director	-	2,598	43	(1,048)	1,593
		<u>2,598</u>	<u>43</u>	<u>(1,048)</u>	<u>1,593</u>

There is no interest charged to the directors and the loan is unsecured. Director loans are sat in other debtors within note 21.

38 Events after the reporting date

On 3 January 2022, the shareholder of Amber REI Holdings Limited exchanged the ordinary shares they held of the Company for the ordinary shares of Boparan Private Office Limited. From 3 January 2022, Boparan Private Office Limited is the immediate parent company of Amber REI Holdings Limited. There are no changes to the controlling parties of the new group.

Following a strategic review by Boparan Holdings Limited, a related party, of their manufacturing footprint and product offering, Boparan Holdings Limited decided to dispose of a loss-making biscuit production factory, which was in a closure consultation process. As a result, on 12 February 2022, the Group acquired the trade and assets of this factory from Boparan Holdings Limited for no consideration. The directors are confident that the Group has the capability to turnaround this factory. The trade and assets acquired were limited to only fixed assets and stock. The rationale for this acquisition is to enhance our offerings to our existing customers.

On 25 March 2022, the Competition and Markets Authority provided clearance for the acquisition of Banham Poultry (2018) Limited.

On 3 January 2023, the Competition and Markets Authority referred the anticipated joint venture between 2 Agriculture Limited, a subsidiary of the Company, and ForFarmers UK Holdings Limited for an in depth investigation. After taking into consideration, among other things, the impact on current business, the duration and costs involved, and the impacts this process will have on both employees and farmers the parties have decided to abandon the proposed joint venture plans.

39 Controlling party

From 3 January 2022, the parent undertaking is Boparan Private Office Limited and the ultimate controlling parties are R S Boparan and B K Boparan. Prior to this date and from the beginning of the reporting period there was no parent undertaking with control directly with R S Boparan and B K Boparan.