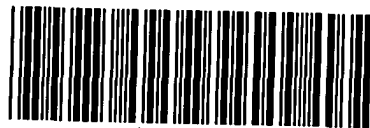


Company Registration No. 09885883 (England and Wales)

**AMBER REAL ESTATE INVESTMENTS  
(AGRICULTURE) LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
1 JANUARY 2023**

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# **AMBER REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	R S Boparan R J Rafferty A S Haveron
<b>Company number</b>	09885883
<b>Registered office</b>	2nd Floor Colmore Court 9 Colmore Row Birmingham B3 2BJ
<b>Auditor</b>	Haines Watts Kingston LLP Aissela 46 High Street Esher Surrey KT10 9QY

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# AMBER REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED

## STRATEGIC REPORT

### FOR THE PERIOD ENDED 1 JANUARY 2023

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The directors present their Strategic Report for the period ended 1 January 2023. (Prior period: 52 weeks ended 2 January 2022).

#### **Business review**

The Company's principal activity is the leasing of agricultural property assets.

The key financial performance indicators are turnover and operating profit. For the period ended 1 January 2023, turnover was £45,497,000 (Period ended 2 January 2022: £42,484,000) and operating profit before revaluations was £37,819,000 (Period ended 2 January 2022: £34,867,000).

A revaluation of the agricultural estate took place in the period and this had led to an overall increase in valuation by £16,021,000 (Period ended 2 January 2022: an increase in the valuation over the entire estate of £20,338,000).

The Company recognises the uncertainties in the present economic and environmental climates with the war in Ukraine sparking global food shortages and energy inflation. Throughout this period, the Company continues to engage in its principal activities in the leasing of its farming assets without any disruption or concern that its tenants will not be able to meet rental payments.

In October 2022, an Avian Influenza (AI) outbreak widely impacted the poultry industry, with a reported 182 confirmed cases in the UK (gov.uk). This outbreak has had an impact on our tenant and the wider supply chain, predominantly within the turkey growing business. However, this did not affect on our rents and income. We have redirected investment to those farms impacted, with a recovery plan to get the impacted sheds back into production as quickly as possible. While not materially changing the amount of that investment, it has accelerated investment in certain areas and delayed investment on others. We expect the recovery to be completed by the end of 2023.

As we reported last period, UK retailers are adopting the Better Chicken Commitment (or BCC) where the rearing of broilers is done in lower stock densities to the current standards and with a slower growing bird. This has contributed even more to a demand for growing space in the UK to meet the demand for protein.

The Company maintains a positive financial outlook, supported by the continued growth in the poultry market to which the agricultural assets are underpinned to. The Directors have assessed the current difficulties in the macro-economic climate and do not believe this will increase the going concern risk for the business.

#### **Principal risks and uncertainties**

##### Strategic risks

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

Expansion of the UK poultry supply faces headwinds in the form of increasing build costs. These increases will be captured pre-agreed rental income streams before construction take places and the risk to the Company is mitigated as costs are passed through.

##### Operational risks

The Company faces risks common to owners of agricultural property such as loss of facility, health, safety and environmental risks.

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

Health, safety and environmental risks are regularly reviewed and prioritised, with work streams established to minimise the risk to people, equipment and property. Immediate and future risks to the business include regulation changes, age and quality of parts of the portfolio and changes in the footprint of the supply chain which the properties serve.

The agricultural asset portfolio continues to be operated normally by the company's tenants as poultry protein remains a necessity for consumers.



# AMBER REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE PERIOD ENDED 1 JANUARY 2023

#### Principal risks and uncertainties (continued)

##### Financial risk management objectives and policies

The Company operates within a framework of weekly reporting which covers weekly performance measures. A set of monthly management accounts is also produced and reviewed by the Board.

The Company monitors cash flow as part of its day-to-day control procedures.

The Company is funded by a £100m bank loan which has covenants attached and is monitored on a quarterly basis. On 1 August 2022, the 1st anniversary of the new facility, the facility was extended by a further year moving the maturity date to 27 August 2025.

There is an opportunity to extend this facility again by a further year. This extension would have to be agreed by the lenders, but if extended, would push the maturity to 27 August 2026. Other options are being reviewed, one of which is a partial repayment of the facility using cash reserves and ongoing cash flows from the business.

#### Future developments

To support the growth in the poultry market throughout the UK, it is expected that the company will continue to invest in the infrastructure of the poultry supply chain.

At the balance sheet date, the company had a secure rent roll which will support this strategy.

The Company has taken a proactive approach to improving environmental impacts of farming sites through use of renewable and low carbon energy sources with high efficiency plant and equipment. A dedicated team is in place to look for ways to improve new sites and the existing estate so that demands on natural resources are minimised.

Standardisation of build practices offers advantages to the business and the wider supply chain. This will be a focus for the upcoming years.

#### Section 172 Statement

The directors confirm that during the period under review, it has acted fairly between members of the Company to promote the long term success of the Company 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 1 January 2023, further detail of which is set out below.

Why we engage	How we engage	What matters most to our stakeholders	How we respond
<b>Our customers</b>			
Our purpose is to deliver high quality infrastructure to all of our tenants, who are a crucial part to the poultry supply chain.	We work closely with our tenants and the end customers to understand the specifications of their product range and capabilities, and that we can meet their requirements to maintain continuity of supply.  All of our initiatives focus on clear communication.	Our tenants and end customers seek the appropriate infrastructure in place to supply the volumes required but not compromise on animal welfare.	We are always there for our tenants, with effective estate management, regular contact and communication from the commercial team.  We monitor the state of our farming estate closely.



# AMBER REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 1 JANUARY 2023

Why we engage	How we engage	What matters most to our stakeholders	How we respond
<b>Our contractors</b>			
We let contractors know both our requirements and the standards expected, so that they meet our expectations. Without contractor partnerships we cannot ensure high quality infrastructure to provide to our tenants and the wider UK poultry supply chain.	Our commercial team works directly with contractors, appropriately scoping out projects of work, and managing the workflow to ensure a seamless delivery.  There is constant, ongoing communication with our contractors.	Healthy sustainable relationship, credit worthiness, financial stability to meet our commitments and adherence to both anti-bribery and anti-modern slavery laws.	We work closely to provide feedback on delivery performance and quality of works performed/service. Contractors are benchmarked and there is a regular tendering process.
<b>Lenders</b>			
We engage to keep our lenders informed with our business and investment plans and the wider UK Poultry implications on our business and estate.	We discuss at least quarterly with our lenders the performance of the business alongside the progress of any plans that have been undertaken thus far.	High quality infrastructure and that due care and maintenance is provided to the estate.  The Wider UK Poultry supply chain and its implications on the use of our estate.	Our periodic meetings will communicate any key updates to our lenders.
<b>Our communities and the environment</b>			
We take our responsibilities to the local community seriously.  We acknowledge the responsibility we have to protect the environment and to minimise the environmental impact of our activities.	Our businesses have regular meetings with local councils officers.  Sustainability research is done on what the most recent technologies are in farming and agriculture.	That we are a responsible business that respects our neighbours, local community and the wider environment.	We continue to update our understanding of the newest innovative technologies that help to reduce our carbon footprint.

By order of the board

R J Rafferty  
R J Rafferty (Sep 27, 2023 18:16 GMT+1)

R J Rafferty  
Director

Date: Sep 27, 2023



# **AMBER REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE PERIOD ENDED 1 JANUARY 2023**

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The directors present their report and the financial statements for the 52 week period ended 1 January 2023. The 2022 comparative presents a 52 week period ended 2 January 2022.

This report should be read in conjunction with the strategic report. Key information relating to the business noted in the strategic report has not been repeated in the directors' report.

#### **Principal activities**

The principal activity of the company is that of leasing of agricultural property assets.

#### **Results and dividends**

The results for the period are set out on page 10.

Ordinary dividends were paid amounting to £14,864,000 (Period ended 2 January 2022: £nil). The directors do not recommend payment of a further dividend.

#### **Directors**

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

R S Boparan

R J Rafferty

A S Haveron

(Resigned 9 September 2022, reappointed 20 February 2023)

#### **Qualifying third party indemnity provisions**

The company has provided qualifying indemnity provisions in respect of the board of directors which were in force during the period and at the date of this report.

#### **Auditor**

Haines Watts Kingston LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### **Energy and carbon reporting**

The company has taken the exemption from disclosure, as a result of being a subsidiary undertaking whereby the energy and carbon reporting information is included within the consolidated report of its parent undertaking Boparan Private Office Limited.

#### **Strategic report**

The company has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of future developments and financial risk management objectives and policies.

Information in the Strategic Report describes how the directors have had regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 when performing their duty where relevant.

#### **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 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 REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 1 JANUARY 2023

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On behalf of the board

R. J. Rafferty  
R J Rafferty (Sep 27, 2023 18:06 GMT+1)

R J Rafferty  
Director

Date: Sep 27, 2023



# **AMBER REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 1 JANUARY 2023**

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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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 company will continue in business.

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



# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMBER REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED**

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## **Opinion**

We have audited the financial statements of Amber Real Estate Investments (Agriculture) Limited (the 'company') for the period ended 1 January 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 1 January 2023 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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

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

## **Other information**

The directors are responsible for the other information. The other information comprises the information in the strategic report and the directors report, but does not include the financial statements and our auditors report thereon.

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

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



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMBER REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED (CONTINUED)**

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

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

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 6, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We discussed with the Directors the policies and procedures in place regarding compliance with laws and regulations. We discussed amongst the audit team the identified laws and regulations, and remained alert to any indications of non-compliance.

During the audit we focussed on laws and regulations which could reasonably be expected to give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation.

Our procedures in relation to fraud included but were not limited to: inquires of management whether they have any knowledge of any actual, suspected or alleged fraud, and discussions amongst the audit team regarding risk of fraud such as opportunities for fraudulent manipulation of financial statements. We determined that the principal risks related to posting manual journal entries to manipulate financial performance and management bias through judgements in accounting estimates, in particular related to stock valuation. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMBER REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED (CONTINUED)

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

### 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.

Haines Watts  
Haines Watts (Sep 28, 2023 09:02 GMT+1)

Paul Hodgett BA (Hons) FCA (Senior Statutory Auditor)

For and on behalf of Haines Watts

Chartered Accountants

Statutory Auditor

Aissela

46 High Street

Esher

Surrey

KT10 9QY

Date: Sep 28, 2023



# AMBER REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 1 JANUARY 2023

		Period ended 1 January 2023 £000	Period ended 2 January 2022 £000
	Notes		
Turnover	3	45,497	42,484
Cost of sales		(7,120)	(7,014)
<b>Gross profit</b>		<b>38,377</b>	<b>35,470</b>
Administrative expenses		(580)	(669)
Other operating income		22	31
Profit on sale of investment properties		-	35
<b>Operating profit before revaluations</b>		<b>37,819</b>	<b>34,867</b>
Revaluation of investment properties	10	16,021	20,338
<b>Operating profit after revaluations</b>	5	<b>53,840</b>	<b>55,205</b>
Interest payable and similar expenses	6	(4,561)	(3,045)
<b>Profit before taxation</b>		<b>49,279</b>	<b>52,160</b>
Tax on profit	7	(8,749)	(12,313)
<b>Profit for the financial period</b>		<b>40,530</b>	<b>39,847</b>

There was no other comprehensive income during the period.



**AMBER REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 1 JANUARY 2023**

	Notes	2023 £000	2022 £000
<b>Fixed assets</b>			
Tangible assets	9	188	105
Investment properties	10	291,193	261,611
		<u>291,381</u>	<u>261,716</u>
<b>Current assets</b>			
Debtors	11	2,791	3,645
Cash at bank and in hand		19,000	17,676
		<u>21,791</u>	<u>21,321</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(14,860)</u>	<u>(13,430)</u>
<b>Net current assets</b>		<u>6,931</u>	<u>7,891</u>
<b>Total assets less current liabilities</b>		<u>298,312</u>	<u>269,607</u>
<b>Creditors: amounts falling due after more than one year</b>	13	(99,467)	(99,467)
<b>Provisions for liabilities</b>		<u>(16,192)</u>	<u>(13,153)</u>
<b>Net assets</b>		<u><u>182,653</u></u>	<u><u>156,987</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	-	-
Profit and loss reserves	17	182,653	156,987
<b>Total equity</b>		<u><u>182,653</u></u>	<u><u>156,987</u></u>

The financial statements were approved by the board of directors and authorised for issue on Sep 27, 2023 and are signed on its behalf by:

R J Rafferty  
R J Rafferty (Sep 27, 2023 18:16 GMT+1)

R J Rafferty  
Director



# AMBER REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 1 JANUARY 2023

	Notes	Share capital £000	Profit and loss reserves £000	Total £000
Balance at 4 January 2021		-	117,140	117,140
Period ended 2 January 2022:				
Profit and total comprehensive income for the period		-	39,847	39,847
Balance at 2 January 2022		-	156,987	156,987
Period ended 1 January 2023:				
Profit and total comprehensive income for the period		-	40,530	40,530
Dividends	8	-	(14,864)	(14,864)
Balance at 1 January 2023		-	182,653	182,653



# AMBER REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JANUARY 2023

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### 1 Accounting policies

#### Company information

Amber Real Estate Investments (Agriculture) Limited 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 company's principal activities and nature of its operations are disclosed in the Strategic Report and 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 investment properties at fair value. The principal accounting policies adopted are set out below.

This 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:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments';
- Section 12 'Other Financial Instrument Issues' – Interest income/expense and net gains/losses for financial instruments not measured at fair value;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Boparan Private Office Limited. These consolidated financial statements are available from its registered office, 2nd Floor Colmore Court, 9 Colmore Row, Birmingham, B3 2BJ.

#### Going concern

After making appropriate 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, covenant calculations and contractual agreements. These demonstrate that the company has sufficient financial facilities available to continue to trade as a going concern.

#### Turnover

Turnover represents rentals under operating lease income from the 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.

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



# AMBER REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 1 JANUARY 2023

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#### 1 Accounting policies (Continued)

##### **Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

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

Plant and equipment	4 - 20 years straight line basis
---------------------	----------------------------------

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.

##### **Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, and subsequently measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

##### **Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

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.

##### **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.

##### **Financial instruments**

The company 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 company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.



# AMBER REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2023

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### 1 Accounting policies (Continued)

#### **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.

#### **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 company 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 company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans and amounts due to group undertakings 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 company's contractual obligations are discharged, cancelled, or they expire.

#### **Equity instruments**

Equity instruments issued by the company 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 company.



# AMBER REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 1 JANUARY 2023

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#### 1 Accounting policies (Continued)

##### **Taxation**

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

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

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

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

Deferred tax 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.

For investment properties measured at fair value (except investment property with a limited useful life held by the company 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 REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2023

### 2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

#### Critical judgements

The following judgements and key sources of estimation have had the most significant effect on amounts recognised in the financial statements:

#### *Investment property valuation*

In determining the valuation for property assets, an independent valuation is conducted by external valuation specialists. The company is required to apply judgements and estimates over the effects of the current retail 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 determining a reasonable fair value.

Where external valuations have not been performed, the directors have made assessments over the value of the estate as at 1 January 2023 through reviewing the historical valuations in place for their relevance in the current period.

The value of the investment property as at 1 January 2023 is in note 10.

### 3 Turnover and other revenue

	2023 £000	2022 £000
<b>Turnover analysed by class of business</b>		
Rental income	41,311	38,698
Green energy income	4,186	3,786
	<u>45,497</u>	<u>42,484</u>
	2023 £000	2022 £000
<b>Turnover analysed by geographical market</b>		
UK	<u>45,497</u>	<u>42,484</u>

### 4 Employees

The company has no employees other than the directors, who did not receive any remuneration from the company.

The directors are remunerated by the parent company, Amber REI Holdings Limited. Group employees are recharged as an administrative expense to the company.



# AMBER REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 JANUARY 2023

### 5 Operating profit

	2023	2022
	£000	£000
Operating profit for the period is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	45	40
Depreciation of owned tangible fixed assets	25	11

### 6 Interest payable and similar expenses

	2023	2022
	£000	£000
Interest on bank overdrafts and loans	4,561	3,045

### 7 Taxation

	2023	2022
	£000	£000
<b>Current tax</b>		
UK corporation tax on profits for the current period	6,218	5,970
Adjustments in respect of prior periods	(508)	(107)
Group tax relief	-	21
Total current tax	5,710	5,884
<b>Deferred tax</b>		
Origination and reversal of timing differences	2,691	4,398
Changes in tax rates	-	2,101
Adjustment in respect of prior periods	348	(70)
Total deferred tax	3,039	6,429
Total tax charge	8,749	12,313



# AMBER REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 1 JANUARY 2023

#### 7 Taxation (Continued)

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

	2023 £000	2022 £000
Profit before taxation	49,279	52,160
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	9,363	9,910
Tax effect of expenses that are not deductible in determining taxable profit	274	168
Adjustments in respect of prior years	(508)	(107)
Deferred tax adjustments in respect of prior years	348	(70)
Adjust deferred tax to average rate	645	3,157
Net income not taxable in determining taxable profits	(1,403)	(874)
Fixed asset differences	158	217
Transfer pricing adjustments	(118)	(88)
Additional deduction for land remediation expenditure	(10)	-
Taxation charge for the period	8,749	12,313

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% (2022: 25%) which was the tax rate substantively enacted at 1 January 2023.

#### 8 Dividends

	2023 £000	2022 £000
Recognised as distributions to equity holders:		
Final paid	14,864	-



# AMBER REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2023

### 9 Tangible fixed assets

	Plant and equipment £000
<b>Cost</b>	
At 3 January 2022	132
Additions	108
	<hr/>
At 1 January 2023	240
	<hr/>
<b>Depreciation and impairment</b>	
At 3 January 2022	27
Depreciation charged in the period	25
	<hr/>
At 1 January 2023	52
	<hr/>
<b>Carrying amount</b>	
At 1 January 2023	188
	<hr/>
At 2 January 2022	105
	<hr/>

### 10 Investment property

	2023 £000
<b>Fair value</b>	
At 3 January 2022	261,611
Additions	13,581
Disposals	(20)
Net gains or losses through fair value adjustments	16,021
	<hr/>
At 1 January 2023	291,193
	<hr/>

Investment property comprises freehold land and buildings. 23% of the estate have been jointly valued at 1 January 2023 by Savills Plc and Bidwells LLP Chartered Surveyors, who are not connected with the company. The valuation was made on a vacant possession basis.

Where external valuations have not been performed, the directors have made assessments over the value of the estate as at 1 January 2023 through reviewing wider market movements.

If land and buildings were stated on a historical cost basis rather than a fair value basis, the carrying amount that would have been included at the period ended 1 January 2023 is £234,477,000 (Period ended 2 January 2022: £219,690,000).



# AMBER REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 JANUARY 2023

### 11 Debtors

	2023	2022
	£000	£000
Amounts falling due within one year:		
Trade debtors	220	605
Other debtors	757	653
Prepayments and accrued income	1,814	2,387
	<u>2,791</u>	<u>3,645</u>

### 12 Creditors: amounts falling due within one year

	2023	2022
	£000	£000
Trade creditors	651	1,180
Amounts owed to group undertakings	2,815	5,985
Corporation tax	489	1,383
Other taxation and social security	1,422	380
Other creditors	1,122	312
Accruals and deferred income	8,361	4,190
	<u>14,860</u>	<u>13,430</u>

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

### 13 Creditors: amounts falling due after more than one year

	Notes	2023	2022
		£000	£000
Bank loans and overdrafts	14	99,467	99,467

### 14 Borrowings

	2023	2022
	£000	£000
Bank loans	99,467	99,467
Payable after one year	99,467	99,467



# AMBER REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2023

### 14 Borrowings (Continued)

The bank loan of £100,000,000 is secured by a fixed charge over certain of the company's investment properties.

Details of principal terms of bank loans are as follows:

2.75% above SONIA per annum fixed term facilities of £100,000,000 repayable in August 2025.

The bank loan is stated net of debt issue costs of £533,000 (2 January 2022: £533,000).

At the statement of financial position date, the £100,000,000 bank loan was due for repayment in August 2025.

### 15 Deferred taxation

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

	Liabilities 2023 £000	Liabilities 2022 £000
<b>Balances:</b>		
Fixed asset timing differences	16,192	13,153
	<u>          </u>	<u>          </u>
<b>Movements in the period:</b>		2023 £000
Liability at 3 January 2022		13,153
Charge to profit or loss		3,039
		<u>          </u>
Liability at 1 January 2023		16,192
		<u>          </u>

The deferred tax liability set out above is expected to reverse on disposal of investment property.

### 16 Share capital

	2023 Number	2022 Number	2023 £000	2022 £000
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary shares of £1 each	100	100	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

### 17 Reserves

#### Profit and loss reserves

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



# AMBER REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JANUARY 2023

### 18 Operating lease commitments

#### Lessor

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

	2023 £000	2022 £000
Within one year	43,038	40,117
Between one and five years	180,527	145,145
In over five years	53,279	5,818
	<u>276,844</u>	<u>191,080</u>

### 19 Related party transactions

#### Transactions with related parties

During the period the company entered into the following transactions with related parties:

	Invoiced to		Invoiced from	
	2023 £000	2022 £000	2023 £000	2022 £000
Companies in which a shareholder and director has control	61	13	-	-
Companies in which a shareholder and director has joint control	<u>54,697</u>	<u>51,250</u>	<u>1,549</u>	<u>445</u>

The following amounts were outstanding at the reporting end date:

	2023 £000	2022 £000
<b>Amounts due to related parties</b>		

Companies in which a shareholder and director has joint control

328	-
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The following amounts were outstanding at the reporting end date:

	2023 £000	2022 £000
<b>Amounts due from related parties</b>		

Companies in which a shareholder and director has control  
Companies in which a shareholder and director has joint control

50	4
<u>199</u>	<u>2,063</u>



# **AMBER REAL ESTATE INVESTMENTS (AGRICULTURE) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE PERIOD ENDED 1 JANUARY 2023**

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#### **20 Ultimate controlling party**

From 3 January 2022, the ultimate parent undertaking is Boparan Private Office Limited, prior to this date and from the beginning of the reporting period the ultimate parent undertaking was Amber REI Holdings Limited. The ultimate controlling parties are R S Boparan and B K Boparan.

The smallest and largest group within which the company is consolidated is headed by Boparan Private Office Limited. The consolidated accounts are available from its registered office, 2nd Floor Colmore Court, 9 Colmore Row, Birmingham, B3 2BJ.