

Company Registration No. 07191982 (England and Wales)

**AMBER REI HOLDINGS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**3 JANUARY 2021**

Parent Company / Group Accounts  
providing audit exemption to  
Bernard Matthews Frozen Limited  
Co # 10373131  
See note 33

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## **AMBER REI HOLDINGS LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	R S Boparan R J Rafferty S Henderson T J Curle A S Haveron
<b>Company number</b>	07191982
<b>Registered office</b>	2nd Floor Colmore Court 9 Colmore Row Birmingham B3 2BJ
<b>Auditor</b>	Grant Thornton UK LLP The Colmore Building 20 Colmore Circus Birmingham B4 6AT

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# **AMBER REI HOLDINGS LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 3 JANUARY 2021**

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The directors present their Strategic Report for the year ended 3 January 2021. The prior year was 52 weeks ending 29 December 2019.

Throughout the financial statements, reference to the year ended 3 January 2021 represents 53 weeks of trading.

#### **Fair review of the business**

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

Group turnover increased by £8.2m primarily due to increases in both rental income from leased agricultural properties growing in line with the leases in place and poultry feed milling income led by an increase in the selling price driven by year on year increased commodity prices.

Group gross profit margin percentage increased by 2.8% due to the milling business having performed better year on year due to operating efficiencies and product performance and improvement in Bernard Matthews Foods Limited results. The latter was primarily due to a stronger Christmas season as well as strengthening both operational and technical management however, performance was held back due to the challenges presented by the Covid-19 pandemic.

Group operating profit from core trading activities increased by £25.8m predominately from the increase in the Group turnover and Group gross profit percentage as well as a drive to reduce overhead costs at Bernard Matthews Foods Limited.

In March 2020, the UK faced unprecedented challenges from the Covid-19 pandemic. As a business we are continuing to take steps to safeguard the health and wellbeing of our employees in line with government guidelines, and to ensure that production and distribution of product to our customers can continue uninterrupted. The ongoing situation is monitored daily by senior management. The Directors assess that the risk to the business is minimal given that our customer base both directly and indirectly serve the food retail sector which is classed as a key service and continues to operate throughout the situation. We liaise closely with out stakeholder groups to ensure that business operations continue uninterrupted.

The Group expects the challenges to continue into the new year however, the Group's UK operations remain fundamental to the UK poultry markets. The senior management team remains cautious entering into the new year.

In the prior year, the Group's Directors decided to impair related party investments of £13m. Following another full review of the underlying businesses, £5m of the £13m has been reversed.

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

# AMBER REI HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 3 JANUARY 2021

#### Key performance indicators

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

	3 January 2021	29 December 2019
<b>Turnover:</b>		
Rental income (£m)	44.2	42.7
Green energy income (£m)	3.5	3.4
Poultry feed milling and live poultry sales (£m)	326.1	317.6
Poultry related product sales (£m)	304.5	306.7
Asset disposals (£m)	0.7	0.4
<b>Gross profit margin (%)</b>	21.8	19.0
<b>Operating profit/(loss) from core trading activities (£m)</b>	24.6	(1.2)
<b>Net Assets (£m)</b>	383.4	343.3

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 negative goodwill release or other income 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.

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

There is continued political and economic uncertainty with respect to Brexit. The board of directors acknowledges this uncertainty and continues to monitor its associated risks. As new trade deals are being negotiated with other non-EU countries, the current outlook appears that the UK food sector will see minimal impact.

# **AMBER REI HOLDINGS LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 3 JANUARY 2021**

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#### **Operational risks**

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

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

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

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

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

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

#### **Financial risks**

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

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

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

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

#### **Financial Risk Management**

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

##### *Liquidity risk*

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

## AMBER REI HOLDINGS LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 3 JANUARY 2021

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#### Financial Risk Management (continued)

##### *Interest rate risk*

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

##### *Credit risk*

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

#### Going concern

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

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

#### Events after the reporting date

In September 2021, a dividend of £10,000,000 was declared. In September 2021, the Boparan Finance Plc secured loan notes of £10,000,000 were disposed of (see note 23).

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

On 9 October 2021, the Group acquired the trade and assets of two poultry sites in Derby and Sunderland from Boparan Holdings Limited, a related party, for no consideration. 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. The Group received clearance from the Competition and Markets Authority on 25 March 2022. Due to the close proximity of this clearance to the date of signing the 3 January 2021 financial statements it is not possible to disclose further details however, these will be included in future financial statements.

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

On 12 February 2022, the Group acquired the trade and assets of a biscuit production factory from Boparan Holdings Limited, a related party, for no consideration. The trade and assets acquired were limited to only fixed assets and stock.

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.

# AMBER REI HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 3 JANUARY 2021

#### S172 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 3 January 2021, further detail of which is set out below. One key area in the current year is how the Directors will make communications to its different stakeholder groups in light of the Covid-19 pandemic.

The key area for the Company during the year was the ongoing response to Covid-19. The Company have consulted and been in regular contact with stakeholders during the year, 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 during the year.

Why we engage	How we engage	What matters most to our stakeholders	How we respond	COVID – 19 specific considerations
<b>Our people</b>				
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 are social distancing measures, with training, support and advice on working safely. PPE is provided and there are regular COVID-19 briefings.
<b>Our customers</b>				
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 have prioritised customer safety throughout the COVID-19 pandemic.</p> <p>We follow government guidelines in all processes.</p>

**AMBER REI HOLDINGS LIMITED****STRATEGIC REPORT (CONTINUED)****FOR THE YEAR ENDED 3 JANUARY 2021**

<b>Why we engage</b>	<b>How we engage</b>	<b>What matters most to our stakeholders</b>	<b>How we respond</b>	<b>COVID specific considerations</b>	<b>19</b>
<b>Our suppliers</b>					
<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 communicate fully any variation in supply, including any peaks or reduced demand.</p> <p>We ensure suppliers have appropriate PPE on site and are able to deliver products safely.</p>	
<b>Trade bodies</b>					
<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 &amp; 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 demonstrate that we follow government guidelines in all processes and maintain a safe working environment.</p> <p>We also follow best proactive initiatives.</p>	
<b>Our communities and the environment</b>					
<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>Act responsibly by following government guidelines in all activities and maintain a safe working environment.</p>	

On behalf of the board

*Robert Rafferty*R J Rafferty  
Director

Date: 29/3/2022

# **AMBER REI HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 3 JANUARY 2021**

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The Directors present their report and the financial statements for the year ended 3 January 2021. This report should be read in conjunction with the Group Strategic Report. Key information relating to the business noted in the Group Strategic Report has not been repeated in the Directors' Report.

#### **Principal activities**

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

#### **Directors**

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

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

#### **Results and dividends**

The profit for the year, after taxation, amounted to £38,055,000 (52 weeks ending 29 December 2019: loss £625,000).

No dividends were paid in the year (52 weeks ending 29 December 2019: nil). The directors do not recommend the payment of a final dividend (52 weeks ending 29 December 2019: nil). Post year end, a dividend of £10,000,000 has been declared.

#### **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.

#### **Auditor**

The auditor, Grant Thornton UK LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006 and will therefore continue in office.

# AMBER REI HOLDINGS LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 3 JANUARY 2021

### Energy and carbon reporting

#### Energy consumption

Aggregate of energy consumption in the year	<b>kWh</b> 194,956,063
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#### Emissions of CO2 equivalent

	<b>Metric tonnes</b>	<b>Metric tonnes</b>
Scope 1 - direct emissions		
- Gas combustion	20,309.00	
- Fuel consumed for owned transport	6,947.00	
		27,256.00
Scope 2 - indirect emissions		
- Electricity purchased		16,523.00
Total gross emissions		43,779.00

#### Intensity ratio

kg CO2e per £1 million sales value	66
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#### 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 15 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 3 JANUARY 2021**

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#### **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

*Robert Rafferty*

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R J Rafferty  
**Director**

Date: 29/3/2022 .....

## **AMBER REI HOLDINGS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 3 JANUARY 2021**

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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 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**

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### **Opinion**

We have audited the financial statements of Amber REI Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for year ended 3 January 2021, 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 3 January 2021 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 Brexit 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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

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

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### **Other information**

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

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

### **Responsibilities of directors for the financial statements**

*As explained more fully in the directors' responsibilities statement, 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.

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

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

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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 understood how the company and group is complying with relevant legal and regulatory frameworks by making enquiries of management.
- 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

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

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- 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.

### Use of our report

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

*Grant Thornton UK LLP*

**Rebecca Eagle**

(Senior Statutory Auditor)

For and on behalf of Grant Thornton UK LLP, Statutory Auditor

Chartered Accountants

The Colmore Building

20 Colmore Circus

Birmingham

B4 6AT

29/3/2022

**AMBER REI HOLDINGS LIMITED****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 3 JANUARY 2021**

		<b>3 January 2021 £000</b>	<b>29 December 2019 £000</b>
	<b>Notes</b>		
<b>Turnover</b>	<b>3</b>	679,010	670,822
Cost of sales		(530,852)	(543,110)
<b>Gross profit</b>		<b>148,158</b>	<b>127,712</b>
Distribution costs		(21,263)	(21,127)
Administrative expenses		(100,806)	(107,694)
Revaluation of investment properties	<b>14</b>	(1,427)	(63)
<b>Operating profit/(loss) from core trading activities</b>		<b>24,662</b>	<b>(1,172)</b>
Profit on sale of investment properties and tangible fixed assets		1,492	3,973
Impairment reversal / (charge)		5,009	(13,092)
Other operating income	<b>6</b>	7,193	6,603
Release of negative goodwill	<b>12</b>	12,910	8,018
<b>Operating profit after non-core trading activities</b>	<b>6</b>	<b>51,266</b>	<b>4,330</b>
Income from other fixed asset investments	<b>8</b>	-	808
Other interest receivable and similar income	<b>8</b>	107	111
Interest payable and similar expenses	<b>9</b>	(3,674)	(4,463)
Other gains and losses	<b>10</b>	1,763	-
<b>Profit before taxation</b>		<b>49,462</b>	<b>786</b>
Tax on profit	<b>11</b>	(11,407)	(1,411)
<b>Profit/(loss) for the financial year</b>		<b>38,055</b>	<b>(625)</b>
<b>Other comprehensive income net of taxation</b>			
Revaluation of tangible fixed assets		1,867	4,641
Currency translation differences		212	(728)
<b>Total comprehensive income for the year</b>		<b>40,134</b>	<b>3,288</b>

Profit/(loss) 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 3 JANUARY 2021**

		<b>3 January 2021</b>		<b>29 December 2019</b>	
	<b>Notes</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>					
Goodwill	<b>12</b>		674		898
Negative goodwill	<b>12</b>		(64,095)		(76,871)
Net goodwill			(63,421)		(75,973)
Other intangible assets	<b>12</b>		5,712		6,783
Total intangible assets			(57,709)		(69,190)
Tangible assets	<b>13</b>		94,694		102,828
Investment properties	<b>14</b>		269,457		273,233
Investments	<b>15</b>		22,082		6,954
Loan investments	<b>15</b>		1,500		1,500
			330,024		315,325
<b>Current assets</b>					
Stocks	<b>19</b>	35,349		35,399	
Debtors	<b>20</b>	249,763		263,925	
Cash at bank and in hand		50,978		27,602	
		336,090		326,926	
<b>Creditors: amounts falling due within one year</b>	<b>21</b>	(147,738)		(159,408)	
<b>Net current assets</b>			188,352		167,518
<b>Total assets less current liabilities</b>			518,376		482,843
<b>Creditors: amounts falling due after more than one year</b>	<b>22</b>		(103,804)		(113,604)
<b>Provisions for liabilities</b>	<b>26</b>		(31,114)		(25,915)
<b>Net assets</b>			383,458		343,324
<b>Capital and reserves</b>					
Called up share capital	<b>29</b>		2		2
Share premium account	<b>30</b>		70,548		70,548
Revaluation reserve	<b>30</b>		15,839		15,641
Profit and loss reserves	<b>30</b>		297,069		257,133
<b>Total equity</b>			383,458		343,324

Company Registration No. 07191982

## AMBER REI HOLDINGS LIMITED

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 3 JANUARY 2021

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The financial statements were approved by the board of directors and authorised for issue on 29/3/2022 and are signed on its behalf by:

*Robert Rafferty*

R J Rafferty  
Director

Company Registration No. 07191982

**AMBER REI HOLDINGS LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 3 JANUARY 2021**

		<b>3 January 2021</b>		<b>29 December 2019</b>	
	<b>Notes</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>					
Tangible assets	13		38		16
Investment properties	14		6,048		5,299
Investments	15		51,175		36,035
Loan investments	15		1,500		1,500
			<u>58,761</u>		<u>42,850</u>
<b>Current assets</b>					
Debtors	20	224,286		274,162	
Cash at bank and in hand		18,636		2,220	
		<u>242,922</u>		<u>276,382</u>	
<b>Creditors: amounts falling due within one year</b>	21	(42,425)		(60,678)	
<b>Net current assets</b>			<u>200,497</u>		<u>215,704</u>
<b>Total assets less current liabilities</b>			<u>259,258</u>		<u>258,554</u>
<b>Creditors: amounts falling due after more than one year</b>	22		(2,884)		(5,600)
<b>Provisions for liabilities</b>	26		(666)		(675)
<b>Net assets</b>			<u>255,708</u>		<u>252,279</u>
<b>Capital and reserves</b>					
Called up share capital	29		2		2
Share premium account	30		70,548		70,548
Profit and loss reserves	30		185,158		181,729
<b>Total equity</b>			<u>255,708</u>		<u>252,279</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 profit for the year was £3,339,000 (29 December 2019: £11,914,000 loss).

The financial statements were approved by the board of directors and authorised for issue on 29/3/2022 and are signed on its behalf by:

*Robert Rafferty*  
 R J Rafferty  
 Director

**AMBER REI HOLDINGS LIMITED****CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 3 JANUARY 2021**

	Share capital	Share premium account	Revaluation reserve	Profit and loss reserves	Total
	£000	£000	£000	£000	£000
<b>Balance at 30 December 2018</b>	2	70,548	12,637	256,849	340,036
<b>Year ended 29 December 2019:</b>					
Loss for the year	-	-	-	(625)	(625)
Other comprehensive income net of taxation:					
Revaluation of tangible fixed assets	-	-	4,641	-	4,641
Currency translation differences	-	-	-	(728)	(728)
Total comprehensive income for the year	-	-	4,641	(1,353)	3,288
Transfers	-	-	(1,637)	1,637	-
<b>Balance at 29 December 2019</b>	2	70,548	15,641	257,133	343,324
<b>Year ended 3 January 2021:</b>					
Profit for the year	-	-	-	38,055	38,055
Other comprehensive income net of taxation:					
Revaluation of tangible fixed assets	-	-	1,867	-	1,867
Currency translation differences	-	-	-	212	212
Total comprehensive income for the year	-	-	1,867	38,267	40,134
Transfers	-	-	(1,669)	1,669	-
<b>Balance at 3 January 2021</b>	2	70,548	15,839	297,069	383,458

**AMBER REI HOLDINGS LIMITED****COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 3 JANUARY 2021**

	<b>Share capital</b>	<b>Share premium account</b>	<b>Profit and loss reserves</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Balance at 30 December 2018</b>	2	70,548	193,643	264,193
<b>Year ended 29 December 2019:</b>				
Loss and total comprehensive income for the year	-	-	(11,914)	(11,914)
<b>Balance at 29 December 2019</b>	2	70,548	181,729	252,279
<b>Year ended 3 January 2021:</b>				
Profit and total comprehensive income for the year	-	-	3,429	3,429
<b>Balance at 3 January 2021</b>	2	70,548	185,158	255,708

**AMBER REI HOLDINGS LIMITED****CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 3 JANUARY 2021**

		<b>3 January 2021</b>		<b>29 December 2019</b>	
	<b>Notes</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cash flows from operating activities</b>					
Cash generated from operations	<b>31</b>		47,772		23,794
Income taxes paid			(5,143)		(1,933)
<b>Net cash inflow from operating activities</b>			42,629		21,861
<b>Investing activities</b>					
Proceeds of disposal of business		6,189		-	
Purchase of intangible assets		-		(1,122)	
Purchase of tangible fixed assets		(6,595)		(13,032)	
Proceeds on disposal of tangible fixed assets		493		836	
Purchase of investment property		(4,942)		(3,068)	
Proceeds on disposal of investment property		8,784		8,430	
Purchase of investments		(10,035)		(10,955)	
Interest received		107		111	
<b>Net cash used in investing activities</b>			(5,999)		(18,800)
<b>Financing activities</b>					
Advance of borrowings		-		2,476	
Repayment of borrowings		(9,488)		(4,586)	
Interest paid		(3,674)		(4,463)	
Payment of finance leases obligations		(1,417)		(1,034)	
Advance/(repayment) of debt factoring facility		1,244		2,747	
<b>Net cash used in financing activities</b>			(13,335)		(4,860)
<b>Net increase/(decrease) in cash and cash equivalents</b>			23,295		(1,799)
Cash and cash equivalents at beginning of year			27,602		29,697
Effect of foreign exchange rates			81		(296)
<b>Cash and cash equivalents at end of year</b>			50,978		27,602

# AMBER REI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 3 JANUARY 2021

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### 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.

# AMBER REI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 3 JANUARY 2021

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### 1 Accounting policies (Continued)

#### **Basis of consolidation**

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

All financial statements are drawn up to within 7 days of 3 January 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

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

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

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

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

#### **Going concern**

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

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

In making the going concern assessment the Directors have made a consideration of the potential impact of continuing Covid-19 pandemic on the cash flows and liquidity of the Company over the next 12 month period. The assessment takes into account a number of scenarios including a reduction in poultry sales and a restructuring of the estate profile. 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 £120,146,000 as at 3 January 2021.

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

## AMBER REI HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 3 JANUARY 2021

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#### 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 and services supplied exclusive of value added tax and trade discounts.

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

###### *Poultry rearing and breeding*

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

###### *Poultry related sales*

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

###### *Asset disposals*

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

###### *Green energy income*

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

##### **Intangible fixed assets - goodwill**

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

##### **Negative goodwill**

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

##### **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.

# AMBER REI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 3 JANUARY 2021

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### 1 Accounting policies (Continued)

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

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

#### **Tangible fixed assets**

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

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

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

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

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

#### **Investment properties**

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

#### **Fixed asset investments**

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

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

## AMBER REI HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 3 JANUARY 2021

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#### 1 Accounting policies (Continued)

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

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

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

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

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

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 comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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

##### **Cash and cash equivalents**

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

##### **Financial instruments**

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

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

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

# AMBER REI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 3 JANUARY 2021

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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.

#### **Other financial assets**

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

#### **Impairment of financial assets**

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

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

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

#### **Derecognition of financial assets**

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

#### **Classification of financial liabilities**

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

#### **Basic financial liabilities**

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

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

#### **Derecognition of financial liabilities**

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

## AMBER REI HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 3 JANUARY 2021

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#### 1 Accounting policies (Continued)

##### 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.

##### Provisions

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

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

# AMBER REI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 3 JANUARY 2021

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### 1 Accounting policies (Continued)

#### Employee benefits

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

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

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

#### Retirement benefits

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

#### Leases

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

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

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

#### Government grants

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

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

#### Exceptional items

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

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

## AMBER REI HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 3 JANUARY 2021

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#### 1 Accounting policies (Continued)

##### Foreign exchange

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

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

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

#### 2 Judgements and key sources of estimation uncertainty

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

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

The following 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.

##### 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 13 of £31.4m and to Investment Properties as shown in note 14 of £269.5m.

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 3 January 2021 through reviewing the historical valuations in place for their relevance in the current year.

# AMBER REI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 3 JANUARY 2021

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### 2 Judgements and key sources of estimation uncertainty (Continued)

#### 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 £12.0m of other investments as seen in note 15.

#### 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 £128.0m as seen in note 36. For the parent company only financial statements, the total value of loans subject to this exercise was £88.8m as seen in note 20.

#### Revenue Recognition: Agent versus Principal

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

**AMBER REI HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 3 JANUARY 2021****3 Turnover**

	<b>3 January 2021 £000</b>	<b>29 December 2019 £000</b>
<b>Turnover analysed by class of business</b>		
Rental income	44,226	42,715
Green energy income	3,456	3,446
Poultry feed milling and live poultry sales	326,096	317,555
Poultry related product sales	304,565	306,673
Asset disposals	667	433
	<u>679,010</u>	<u>670,822</u>

	<b>3 January 2021 £000</b>	<b>29 December 2019 £000</b>
<b>Turnover analysed by geographical market</b>		
United Kingdom	674,977	643,556
Europe	4,033	27,266
	<u>679,010</u>	<u>670,822</u>

**4 Employees**

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

	<b>Group</b>		<b>Company</b>	
	<b>3 January 2021 Number</b>	<b>29 December 2019 Number</b>	<b>3 January 2021 Number</b>	<b>29 December 2019 Number</b>
<i>Production and farm workers</i>	2,027	2,095	-	-
<i>Management, administrative and sales</i>	384	417	44	45
<b>Total</b>	<u>2,411</u>	<u>2,512</u>	<u>44</u>	<u>45</u>

**AMBER REI HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 3 JANUARY 2021****4 Employees (Continued)**

Their aggregate remuneration comprised:

	<b>Group</b>		<b>Company</b>	
	<b>3 January</b>	<b>29 December</b>	<b>3 January</b>	<b>29 December</b>
	<b>2021</b>	<b>2019</b>	<b>2021</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Wages and salaries	67,174	62,895	4,278	2,857
Social security costs	6,636	6,281	534	398
Pension costs	2,047	1,891	194	95
	<u>75,857</u>	<u>71,067</u>	<u>5,006</u>	<u>3,350</u>
Redundancy payments made or committed	<u>711</u>	<u>197</u>	<u>38</u>	<u>-</u>

**5 Directors' remuneration**

	<b>3 January</b>	<b>29 December</b>
	<b>2021</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Remuneration for qualifying services	1,642	1,220
Company pension contributions to defined contribution schemes	29	28
	<u>1,671</u>	<u>1,248</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2019 - 3).

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

	<b>3 January</b>	<b>29 December</b>
	<b>2021</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Remuneration for qualifying services	635	386
Company pension contributions to defined contribution schemes	10	10

**AMBER REI HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 3 JANUARY 2021****6 Operating profit**

	<b>3 January 2021 £000</b>	<b>29 December 2019 £000</b>
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(132)	43
Government grants	(2,486)	(2)
Coronavirus Job Retention Scheme (CJRS) income	(654)	-
Depreciation of owned tangible fixed assets	9,979	8,891
Depreciation of tangible fixed assets held under finance leases	819	191
Loss/(profit) on disposal of tangible fixed assets	3	(4)
Profit on disposal of investment property	(1,492)	(3,969)
Amortisation of intangible assets	(11,615)	(6,722)
Operating lease charges	5,297	7,359

Included within creditors is a government grant of £nil (2019: £2,441,000). The grant was conditional upon completion of a capital project which was completed in the year. £2,486,000 (2019: £nil) has been recognised as income.

**7 Auditor's remuneration**

	<b>3 January 2021 £000</b>	<b>29 December 2019 £000</b>
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	99	60
Audit of the financial statements of the company's subsidiaries	212	253
	<u>311</u>	<u>313</u>
<b>For other services</b>		
Taxation compliance services	3	3
Taxation advisory services	-	6
Services relating to corporate finance transactions	-	71
All other non-audit services	-	96
	<u>3</u>	<u>176</u>

**AMBER REI HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 3 JANUARY 2021****8 Interest receivable and similar income**

	<b>3 January 2021 £000</b>	<b>29 December 2019 £000</b>
<b>Interest income</b>		
Interest on bank deposits	106	111
Other interest income	1	-
	<u>107</u>	<u>111</u>
<b>Total interest revenue</b>	<b>107</b>	<b>111</b>
<b>Income from fixed asset investments</b>		
Income from other fixed asset investments	-	808
	<u>-</u>	<u>808</u>
<b>Total income</b>	<b>107</b>	<b>919</b>

**9 Interest payable and similar expenses**

	<b>3 January 2021 £000</b>	<b>29 December 2019 £000</b>
Interest on bank overdrafts and loans	3,582	4,403
Interest on finance leases and hire purchase contracts	92	60
	<u>3,674</u>	<u>4,463</u>
<b>Total finance costs</b>	<b>3,674</b>	<b>4,463</b>

**10 Other gains and losses**

	<b>3 January 2021 £000</b>	<b>29 December 2019 £000</b>
Change in value of financial assets held at fair value through profit or loss	84	-
Gain on disposal of fixed asset investments (see note 18)	1,679	-
	<u>1,763</u>	<u>-</u>
	<b>1,763</b>	<b>-</b>

**AMBER REI HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 3 JANUARY 2021****11 Taxation**

	<b>3 January 2021 £000</b>	<b>29 December 2019 £000</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	6,754	1,213
<i>Adjustments in respect of prior periods</i>	(197)	(1,108)
<b>Total current tax</b>	<b>6,557</b>	<b>105</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	2,577	192
Changes in tax rates	1,641	-
Adjustment in respect of prior periods	632	1,114
<b>Total deferred tax</b>	<b>4,850</b>	<b>1,306</b>
<b>Total tax charge</b>	<b>11,407</b>	<b>1,411</b>

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:

	<b>3 January 2021 £000</b>	<b>29 December 2019 £000</b>
Profit before taxation	49,462	786
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	9,398	149
Tax effect of expenses that are not deductible in determining taxable profit	1,451	4,396
<i>Tax effect of income not taxable in determining taxable profit</i>	(3,411)	(4,533)
Adjustments in respect of prior years	435	6
Effect of overseas tax rates	(62)	183
Fixed asset timing differences	593	(16)
Effect of change in tax rates	1,661	(350)
Other adjustments	(23)	491
Chargeable gains	1,892	1,085
Transfer pricing	(527)	-
<b>Taxation charge</b>	<b>11,407</b>	<b>1,411</b>

# AMBER REI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 3 JANUARY 2021

### 11 Taxation (Continued)

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

In addition to the amount charged to profit and loss £351,000 (2019: £950,000) has been recognised in other comprehensive income, which comprises deferred tax relating to the revaluation of the group's tangible fixed assets.

### 12 Intangible fixed assets

Group	Goodwill £000	Negative goodwill £000	Trade technology £000	Patents and trademarks £000	Total £000
<b>Cost</b>					
At 30 December 2019	1,122	(129,571)	4,131	6,136	(118,182)
Exchange adjustments	-	(134)	-	-	(134)
At 3 January 2021	1,122	(129,705)	4,131	6,136	(118,316)
<b>Amortisation and impairment</b>					
At 30 December 2019	224	(52,700)	2,688	796	(48,992)
Amortisation charged for the year	224	(12,910)	826	245	(11,615)
At 3 January 2021	448	(65,610)	3,514	1,041	(60,607)
<b>Carrying amount</b>					
At 3 January 2021	674	(64,095)	617	5,095	(57,709)
At 29 December 2019	898	(76,871)	1,443	5,340	(69,190)

The company had no intangible fixed assets at 3 January 2021 or 29 December 2019.

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.

**AMBER REI HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 3 JANUARY 2021****13 Tangible fixed assets**

<b>Group</b>	<b>Freehold land and buildings £000</b>	<b>Plant and equipment £000</b>	<b>Milling assets £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>				
At 30 December 2019	22,937	65,582	31,028	119,547
Additions	9	6,428	2,038	8,475
Disposals	(3,892)	(6,664)	(18)	(10,574)
Revaluation	-	-	(1,085)	(1,085)
Exchange adjustments	275	195	-	470
At 3 January 2021	19,329	65,541	31,963	116,833
<b>Depreciation and impairment</b>				
At 30 December 2019	2,330	13,930	459	16,719
Depreciation charged in the year	487	6,905	3,406	10,798
Eliminated in respect of disposals	(683)	(1,542)	(15)	(2,240)
Revaluation	-	-	(3,302)	(3,302)
Exchange adjustments	45	119	-	164
At 3 January 2021	2,179	19,412	548	22,139
<b>Carrying amount</b>				
At 3 January 2021	17,150	46,129	31,415	94,694
At 29 December 2019	20,607	51,652	30,569	102,828
<b>Company</b>				<b>Plant and equipment £000</b>
<b>Cost or valuation</b>				
At 30 December 2019				52
Additions				36
At 3 January 2021				88
<b>Depreciation and impairment</b>				
At 30 December 2019				36
Depreciation charged in the year				14
At 3 January 2021				50
<b>Carrying amount</b>				
At 3 January 2021				38
At 29 December 2019				16

# AMBER REI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 3 JANUARY 2021

### 13 Tangible fixed assets (Continued)

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 2021.

The value of freehold land within Freehold Land and Buildings is £7.0m.

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

	<b>Group</b>		<b>Company</b>	
	<b>3 January</b>	<b>29 December</b>	<b>3 January</b>	<b>29 December</b>
	<b>2021</b>	<b>2019</b>	<b>2021</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Plant and equipment	2,351	1,290	2,351	-
	<u>2,351</u>	<u>1,290</u>	<u>2,351</u>	<u>-</u>

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:

	<b>Group</b>		<b>Company</b>	
	<b>3 January</b>	<b>29 December</b>	<b>3 January</b>	<b>29 December</b>
	<b>2021</b>	<b>2019</b>	<b>2021</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cost	48,064	46,044	-	-
Accumulated depreciation	(34,193)	(32,242)	-	-
Carrying value	<u>13,871</u>	<u>13,802</u>	<u>-</u>	<u>-</u>

# AMBER REI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 3 JANUARY 2021

### 14 Investment property

	Group 3 January 2021 £000	Company 3 January 2021 £000
<b>Fair value</b>		
At 30 December 2019	273,233	5,299
Additions through external acquisition	4,942	1,888
Disposals	(7,291)	(773)
Net gains or losses through fair value adjustments	(1,427)	(366)
At 3 January 2021	<u>269,457</u>	<u>6,048</u>

Investment property comprises freehold land and buildings. 20% of the agricultural investment properties' fair value has been arrived at on the basis of a joint valuation carried out at January 2021 and May 2021 by Savills Plc and Bidwells LLP Chartered Surveyors, who are not connected with the company. The valuation was made on a vacant possession basis.

For the remaining 80% of agricultural investment properties and processing sites that have not been valued externally, the Directors have made assessments over the value of the estate as at 3 January 2021. If land and buildings were stated on a historical cost basis rather than a fair value basis, the carrying amount that would have been included is £218,658,000 (29 December 2019: £217,340,000).

### 15 Fixed asset investments

	Notes	Group 2021 £000	2019 £000	Company 2021 £000	2019 £000
Investments in subsidiaries	16	-	-	29,102	29,090
Listed investments		10,119	-	10,119	-
Other investments		11,963	6,954	11,954	6,945
Loans		1,500	1,500	1,500	1,500
		<u>23,582</u>	<u>8,454</u>	<u>52,675</u>	<u>37,535</u>
<b>Listed investments included above:</b>					
Listed investments carrying amount		<u>10,119</u>	<u>-</u>	<u>10,119</u>	<u>-</u>

**AMBER REI HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 3 JANUARY 2021****15 Fixed asset investments (Continued)****Movements in fixed asset investments  
Group**

	<b>Investments other than loans £000</b>	<b>Loan investments £000</b>	<b>Other £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>				
At 30 December 2019	-	1,500	20,046	21,546
Additions	10,035	-	-	10,035
Valuation changes	84	-	-	84
At 3 January 2021	10,119	1,500	20,046	31,665
<b>Impairment</b>				
At 29 December 2019	-	-	13,092	13,092
Impairment reversal	-	-	(5,009)	(5,009)
At 3 January 2021	-	-	8,083	8,083
<b>Carrying amount</b>				
At 3 January 2021	10,119	1,500	11,963	23,582
At 29 December 2019	-	1,500	6,954	8,454

**AMBER REI HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 3 JANUARY 2021****15 Fixed asset investments (Continued)**

<b>Movements in fixed asset investments</b>					
<b>Company</b>	<b>Shares in group undertakings</b>	<b>Other investments other than loans</b>	<b>Loan investments</b>	<b>Other</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost or valuation</b>					
At 30 December 2019	29,090	-	1,500	20,037	50,627
Additions	12	10,035	-	-	10,047
Valuation changes	-	84	-	-	84
At 3 January 2021	29,102	10,119	1,500	20,037	60,758
<b>Impairment</b>					
At 29 December 2019	-	-	-	13,092	13,092
Impairment reversal	-	-	-	(5,009)	(5,009)
At 3 January 2021	-	-	-	8,083	8,083
<b>Carrying amount</b>					
At 3 January 2021	29,102	10,119	1,500	11,954	52,675
At 29 December 2019	29,090	-	1,500	6,945	37,535

## **AMBER REI HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 3 JANUARY 2021**

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#### **15 Fixed asset investments (Continued)**

##### **Listed investments**

In November 2020, the group made a subscription of £10,035,000 Boparan Finance plc secured loan notes due for redemption at 2025. This holding has been sold in September 2021.

##### **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 Cinnamon Collection Limited (subsequently renamed Boparan Restaurants Holdings Limited on 7 March 2016) for a consideration of £4,000 per share. This is a related investment by way of common shareholder.

On 23 August 2019, the company purchased £1,500,000 of loan notes from Deep Blue Restaurants Limited. On the same date, 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 the business plans outlined that £5m of the £13m is expected to be recovered in the future as a result of a restructuring of the underlying businesses in 2020, leading to the £5m impairment reversal.

## AMBER REI HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 3 JANUARY 2021

#### 16 Subsidiaries

Details of the company's subsidiaries at 3 January 2021 are as follows:

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

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

2 - Smithboro, Co. Monaghan, Ireland

3 - Naritaweg 165, 1043 BW Amsterdam, Netherlands

4 - Hungary, 9600 Sárvár, Soproni street 15

On 13 January 2020, the group sold its investment in SaGa Foods Zrt, a subsidiary of the group, for a consideration of £6,955,000 (see note 18).

# AMBER REI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 3 JANUARY 2021

### 17 Associates

Details of associates at 3 January 2021 are as follows:

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

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

Investments in associates are held at nil value.

### 18 Disposals

On 13 January 2020 the group disposed of its 100% holding in SaGa Foods Zrt for consideration of £6,955,000. Included in these financial statements are profits of £nil arising from the group's interests in SaGa Foods Zrt up to the date of its disposal.

Net assets disposed of	£000
Cash and cash equivalents	766
Property, plant and equipment	7,838
Trade and other receivables	2,279
Inventories	1,675
Trade and other payables	(7,282)
	<hr/>
	5,276
Gain on disposal (see note 10)	1,679
	<hr/>
Total consideration	6,955
	<hr/>
The consideration was satisfied by:	£000
Cash	6,955
	<hr/>

£4.4m of negative goodwill has been released in the year as a result of this disposal. This can be seen in note 12 of the amortisation charged line. Therefore the total gain is £6.2m.

**AMBER REI HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 3 JANUARY 2021****19 Stocks**

	<b>Group</b>		<b>Company</b>	
	<b>3 January</b>	<b>29 December</b>	<b>3 January</b>	<b>29 December</b>
	<b>2021</b>	<b>2019</b>	<b>2021</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Raw materials and consumables	17,295	14,158	-	-
Work in progress	1,802	2,569	-	-
Finished goods and goods for resale	16,252	18,672	-	-
	<u>35,349</u>	<u>35,399</u>	<u>-</u>	<u>-</u>

**20 Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>3 January</b>	<b>29 December</b>	<b>3 January</b>	<b>29 December</b>
	<b>2021</b>	<b>2019</b>	<b>2021</b>	<b>2019</b>
		<b>as restated</b>		
<b>Amounts falling due within one year:</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade debtors	104,273	127,459	-	1,737
Corporation tax recoverable	812	2,228	1,043	3
Amounts owed by group undertakings	-	-	88,751	149,505
Other debtors (see note 36)	132,496	124,230	128,015	118,822
Prepayments and accrued income	12,182	10,008	6,477	4,095
	<u>249,763</u>	<u>263,925</u>	<u>224,286</u>	<u>274,162</u>

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

Trade debtors include balances totalling £58,277,000 (29 December 2019: £51,827,000) due from related parties.

Other debtors include balances totalling £128,006,000 (29 December 2019: £115,273,000) due from related parties.

In 2019, prepayments and accrued income included a £48.4 million balance that related to trading balances owed from companies that have a shareholder and director with either control or joint control and should have been presented in trade debtors. The 2019 comparatives have been restated to show this.

**AMBER REI HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 3 JANUARY 2021****21 Creditors: amounts falling due within one year**

		<b>Group</b>		<b>Company</b>	
		<b>3 January</b>	<b>29 December</b>	<b>3 January</b>	<b>29 December</b>
		<b>2021</b>	<b>2019</b>	<b>2021</b>	<b>2019</b>
	<b>Notes</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Bank loans and overdrafts	<b>23</b>	14,651	13,407	3,200	3,200
Stocking loan	<b>23</b>	2,261	2,136	-	-
Obligations under finance leases	<b>24</b>	711	661	634	-
Trade creditors		84,050	90,286	279	17
Amounts owed to group undertakings		-	-	37,100	56,037
Other taxation and social security		4,956	2,890	311	167
Government grants		-	2,441	-	-
Other creditors		1,060	204	-	204
Accruals and deferred income		40,049	47,383	901	1,053
		<u>147,738</u>	<u>159,408</u>	<u>42,425</u>	<u>60,678</u>

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

The government grant was conditional upon completion of a capital project which has been completed during the year.

**22 Creditors: amounts falling due after more than one year**

		<b>Group</b>		<b>Company</b>	
		<b>3 January</b>	<b>29 December</b>	<b>3 January</b>	<b>29 December</b>
		<b>2021</b>	<b>2019</b>	<b>2021</b>	<b>2019</b>
	<b>Notes</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Bank loans and overdrafts	<b>23</b>	103,234	112,847	2,400	5,600
Obligations under finance leases	<b>24</b>	566	153	484	-
Derivative financial instruments	<b>25</b>	-	47	-	-
Accruals and deferred income		4	557	-	-
		<u>103,804</u>	<u>113,604</u>	<u>2,884</u>	<u>5,600</u>

**AMBER REI HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 3 JANUARY 2021****23 Borrowings**

	<b>Group</b>		<b>Company</b>	
	<b>3 January</b>	<b>29 December</b>	<b>3 January</b>	<b>29 December</b>
	<b>2021</b>	<b>2019</b>	<b>2021</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Bank loans	109,767	119,380	5,600	8,800
Bank overdrafts	8,118	6,874	-	-
Stocking loan	2,261	2,136	-	-
	<u>120,146</u>	<u>128,390</u>	<u>5,600</u>	<u>8,800</u>
Payable within one year	16,912	15,543	3,200	3,200
Payable after one year	<u>103,234</u>	<u>112,847</u>	<u>2,400</u>	<u>5,600</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 £nil (29 December 2019: £339,000) and interest accrues at 2.25% above LIBOR per annum. On June 2021, the Group completed a refinancing of its £100m loan facility for a 3 year term. The new repayment date for the loan will commence in July 2024.

Bank loan of £4,167,000 secured against certain of the group's freehold land and buildings. Interest accrues at 2.5% above LIBOR per annum. The loan is repayable in equal quarterly instalments which commenced in June 2019 and will end in March 2022.

Bank loan of £5,600,000 secured against certain of the group's freehold land and buildings. Interest accrues at 3% above LIBOR per annum. The loan is repayable in equal quarterly instalments ending in September 2022.

**Bank overdrafts**

Bank overdrafts includes an advance from discounting agents amounting to £8,118,000 (29 December 2019: £6,874,000). 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.

**24 Finance lease obligations**

	<b>Group</b>		<b>Company</b>	
	<b>3 January</b>	<b>29 December</b>	<b>3 January</b>	<b>29 December</b>
	<b>2021</b>	<b>2019</b>	<b>2021</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Future minimum lease payments due under finance leases:				
Less than one year	711	661	634	-
Between one and five years	566	153	484	-
	<u>1,277</u>	<u>814</u>	<u>1,118</u>	<u>-</u>

# AMBER REI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 3 JANUARY 2021

### 24 Finance lease obligations (Continued)

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.

### 25 Financial instruments

	Group		Company	
	3 January 2021 £000	29 December 2019 £000	3 January 2021 £000	29 December 2019 £000
<b>Carrying amount of financial assets</b>				
Instruments measured at fair value through profit or loss	10,119	-	-	-
<b>Carrying amount of financial liabilities</b>				
Measured at fair value through profit or loss				
- Other financial liabilities	-	47	-	-

### 26 Provisions for liabilities

		Group		Company	
		3 January 2021 £000	29 December 2019 £000	3 January 2021 £000	29 December 2019 £000
	<b>Notes</b>				
Dilapidations provision		600	600	600	600
Customer audit claims		50	68	-	-
		650	668	600	600
Deferred tax liabilities	<b>27</b>	30,464	25,247	66	75
		31,114	25,915	666	675

Movements on provisions apart from deferred tax liabilities:

	Dilapidations provision £000	Customer audit claims £000	Total £000
<b>Group</b>			
At 30 December 2019	600	68	668
Additional provisions in the year	-	99	99
Utilisation of provision	-	(117)	(117)
At 3 January 2021	600	50	650

**AMBER REI HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 3 JANUARY 2021****26 Provisions for liabilities (Continued)**

<b>Company</b>	<b>Dilapidations provision £000</b>	<b>Customer audit claims £000</b>	<b>Total £000</b>
At 30 December 2019 and 3 January 2021	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:

	<b>Liabilities 3 January 2021 £000</b>	<b>Liabilities 29 December 2019 £000</b>
<b>Group</b>		
Accelerated capital allowances	5,949	3,231
Business combinations	(71)	1,417
Other timing differences	(38)	(531)
Chargeable gains	24,624	21,130
	<u>30,464</u>	<u>25,247</u>

	<b>Liabilities 3 January 2021 £000</b>	<b>Liabilities 29 December 2019 £000</b>
<b>Company</b>		
Accelerated capital allowances	89	80
Tax losses	(22)	-
Short term timing differences	(1)	(5)
	<u>66</u>	<u>75</u>

# AMBER REI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 3 JANUARY 2021

### 27 Deferred taxation (Continued)

	Group 3 January 2021 £000	Company 3 January 2021 £000
<b>Movements in the year:</b>		
Liability at 30 December 2019	25,247	75
Charge/(credit) to profit or loss	4,849	(9)
Charge to other comprehensive income	368	-
Liability at 3 January 2021	<u>30,464</u>	<u>66</u>

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

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

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

### 28 Retirement benefit schemes

	3 January 2021 £000	29 December 2019 £000
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>2,047</u>	<u>1,891</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 £436,000 (29 December 2019: £445,000) were payable to the fund at the end and are included within creditors.

### 29 Share capital

	Group and Company			
	3 January 2021 Number	29 December 2019 Number	3 January 2021 £000	29 December 2019 £000
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
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 3 JANUARY 2021****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 land and buildings, net of deferred tax. An amount is transferred in each year from the revaluation reserve to the profit and loss reserve in the Statement of Changes in Equity for the excess depreciation over that would have been charged under the historical cost approach.

Transfers from the revaluation reserve are made up of £1,669,000 (29 December 2019: £1,637,000) 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**

	<b>3 January 2021 £000</b>	<b>29 December 2019 £000</b>
Profit/(loss) for the year after tax	38,055	(625)
<b>Adjustments for:</b>		
Taxation charged	11,407	1,411
Finance costs	3,674	4,463
Investment income	(107)	(919)
Loss/(gain) on disposal of tangible fixed assets	3	(4)
Gain on disposal of investment property	(1,492)	(3,969)
Change in value in investment properties	1,427	63
Impairment of fixed asset investments	(5,009)	13,092
Amortisation and impairment of intangible assets	(11,615)	(6,722)
Depreciation and impairment of tangible fixed assets	10,798	9,082
Gain on sale of investments	(1,679)	-
Other gains and losses	(84)	-
(Decrease)/increase in provisions	(18)	401
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(1,458)	7,937
Decrease/(increase) in debtors	11,274	(25,480)
(Decrease)/increase in creditors	(7,404)	25,064
<b>Cash generated from operations</b>	<u>47,772</u>	<u>23,794</u>

**AMBER REI HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 3 JANUARY 2021****32 Analysis of changes in net debt - group**

	30 December 2019	Cash flows	Other non- cash changes	Exchange rate movements	3 January 2021
	£000	£000	£000	£000	£000
Cash at bank and in hand	27,602	23,295	-	81	50,978
Bank overdrafts	(6,874)	(1,244)	-	-	(8,118)
	20,728	22,051	-	81	42,860
Borrowings excluding overdrafts	(121,516)	9,488	-	-	(112,028)
Obligations under finance leases	(814)	1,417	(1,880)	-	(1,277)
	(101,602)	32,956	(1,880)	81	(70,445)

**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 3 January 2021.

- 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
- Bernard Matthews (Derby) Limited (formerly Faithful Pet Food Limited) - 11899591
- Bernard Matthews Frozen Limited - 10373131

**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		Company	
	3 January 2021	29 December 2019	3 January 2021	29 December 2019
	£000	£000	£000	£000
Within one year	3,508	3,697	13	103
Between one and five years	2,579	4,461	13	51
In over five years	-	92	-	-
	6,087	8,250	26	154

**AMBER REI HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 3 JANUARY 2021****34 Operating lease commitments (Continued)****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:

	<b>Group</b>		<b>Company</b>	
	<b>3 January</b>	<b>29 December</b>	<b>3 January</b>	<b>29 December</b>
	<b>2021</b>	<b>2019</b>	<b>2021</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Within one year	43,324	40,780	535	506
Between one and five years	68,533	106,151	755	1,266
In over five years	13,875	17,297	159	184
	<u>125,732</u>	<u>164,228</u>	<u>1,449</u>	<u>1,956</u>

**35 Capital commitments**

Amounts contracted for but not provided in the financial statements:

	<b>Group</b>		<b>Company</b>	
	<b>3 January</b>	<b>29 December</b>	<b>3 January</b>	<b>29 December</b>
	<b>2021</b>	<b>2019</b>	<b>2021</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Acquisition of tangible fixed assets	<u>177</u>	<u>20</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.

	<b>3 January</b>	<b>29 December</b>
	<b>2021</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Aggregate compensation	<u>1,889</u>	<u>1,460</u>

**AMBER REI HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 3 JANUARY 2021****36 Related party transactions (Continued)****Transactions with related parties**

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

	<b>Invoiced to</b>		<b>Invoiced from</b>	
	<b>3 January 2021 £000</b>	<b>29 December 2019 £000</b>	<b>3 January 2021 £000</b>	<b>29 December 2019 £000</b>
<b>Group</b>				
Companies in which a shareholder and director has control	57,806	45,485	39,177	34,601
Companies in which a shareholder and director has joint control	274,408	257,247	128,391	121,929
Other related parties	30	71	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Company</b>				
Companies in which a shareholder and director has control	1,295	2,759	375	421
Companies in which a shareholder and director has joint control	99	10	3	17
Other related parties	30	71	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
			<b>Purchase of property</b>	
			<b>3 January 2021 £000</b>	<b>29 December 2019 £000</b>
<b>Group and company</b>				
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:

	<b>3 January 2021 £000</b>	<b>29 December 2019 £000</b>
<b>Amounts due to related parties</b>		
<b>Group</b>		
Companies in which a shareholder and director has control	2,215	2,372
Companies in which a shareholder and director has joint control	12,905	26,064
	<u>          </u>	<u>          </u>
<b>Company</b>		
Companies in which a shareholder and director has control	5	-
	<u>          </u>	<u>          </u>

**AMBER REI HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 3 JANUARY 2021****36 Related party transactions (Continued)**

The following amounts were outstanding at the reporting end date:

	<b>3 January 2021 £000</b>	<b>29 December 2019 £000</b>
<b>Amounts due from related parties</b>		
<b>Group</b>		
Companies in which a shareholder and director has control	13,617	3,995
Companies in which a shareholder and director has joint control	44,660	47,832
	<u>          </u>	<u>          </u>
<b>Company</b>		
Companies in which a shareholder and director has control	397	339
Companies in which a shareholder and director has joint control	181	10
	<u>          </u>	<u>          </u>
<b>Loans to related parties</b>		
<b>Group</b>		
Companies in which a shareholder and director has control	127,554	114,657
Companies in which a shareholder and director has joint control	452	302
Other related parties	1,500	1,814
	<u>          </u>	<u>          </u>
	129,506	116,773
	<u>          </u>	<u>          </u>
<b>Company</b>		
Companies in which a shareholder and director has control	127,554	114,657
Companies in which a shareholder and director has joint control	452	302
Other related parties	1,500	1,814
	<u>          </u>	<u>          </u>
	129,506	116,773
	<u>          </u>	<u>          </u>
<b>Loans from related parties</b>		
<b>Group</b>		
Companies in which a shareholder and director has control	2,000	204
	<u>          </u>	<u>          </u>
	2,000	204
	<u>          </u>	<u>          </u>
<b>Company</b>		
Companies in which a shareholder and director has control	-	204
	<u>          </u>	<u>          </u>
	-	204
	<u>          </u>	<u>          </u>

# AMBER REI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 3 JANUARY 2021

### 36 Related party transactions (Continued)

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 £19,367,000 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.

### 37 Directors' transactions

Description	% Rate	Opening balance £000	Amounts advanced £000	Amounts repaid £000	Closing balance £000
Loan to director	-	3,537	1,208	(2,147)	2,598
		<u>3,537</u>	<u>1,208</u>	<u>(2,147)</u>	<u>2,598</u>

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

### 38 Events after the reporting date

On September 2021, a dividend of £10,000,000 was declared. In September 2021, the Boparan Finance Plc secured loan notes of £10,035,000 were disposed of (see note 15).

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

On 9 October 2021, the Group acquired the trade and assets of two poultry sites in Derby and Sunderland from Boparan Holdings Limited, a related party, for no consideration. 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. The Group received clearance from the Competition and Markets Authority on 25 March 2022. Due to the close proximity of this clearance to the date of signing the 3 January 2021 financial statements it is not possible to disclose further details however, these will be included in future financial statements.

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

On 12 February 2022, the Group acquired the trade and assets of a biscuit production factory from Boparan Holdings Limited, a related party, for no consideration. The trade and assets acquired were limited to only fixed assets and stock.

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. Due to the proximity of the acquisitions to the date of signing the 3 January 2021 financial statements, and therefore the inherent estimation uncertainty, it is not possible to accurately determine the financial impact of the acquisitions.

## **AMBER REI HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 3 JANUARY 2021**

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#### **39 Controlling party**

From 3 January 2022, the ultimate parent undertaking is Boparan Private Investments Limited. The ultimate controlling parties are R S Boparan and B K Boparan.